The COMMERCIAL and FINANCIAL CHRONICLE

ESTABLISHED 1839 Reg. U. S. Pat. Office

Volume 192 Number 5972 New York 7, N. Y., Thursday, July 28, 1960 Price 50 Cents a Copy

Editorial AS WE SEE IT

If calm perspective were ever needed, it is needed now in these days of charges of "imperialism," accusations of "exploitation" of weak countries, and the universal demand that backward and poverty ridden peoples be miraculously salavaged. Russia and China, taking their cue from their masters, Marx Lenin and Engels, scream daily about "imperialism" and what it is doing and likely to do to the world, while at the same time they practice with avidity their own brand of conquest. The peoples of various countries, notably right now Cuba, are bitterly assailing foreigners and foreign capital that have entered their countries—and turning to the arch imperialist of the day, Soviet Russia, for aid and comfort. The United States and other so-called western countries are being warned that they had better do more for this, that and the other slothful people or Communists will appear on the scene and, in the process, take over.

Perhaps the first essential truth for us all to bear constantly in mind is that, except for the Communists, this is not an age of imperialism. On the contrary, old empires are dissolving—often if not usually with the consent and blessings of the former imperial masters. Britain has, of course, led the way. Hundreds of millions of people formerly directly or indirectly under the thumb of the British are now quite free to manage their own affairs—and do so. Other areas are being relieved of control or direction from London as rapidly as seems feasible. Of course, our imperialism (except at the expense of the American Indian) was never large scale, and for a number of decades we have been doing just about what Britain has been doing with her former empire.

Imperialism in History

Japan, too—whether voluntary or not is not important —is no longer driving to spread her domain in the Far East. Others of the old so-called colonial powers are losing rather than gaining territory in the more backward sections of the globe. All of (Continued on page 24)

A Professional Blueprint for Individual Portfolio Management

By Frederick N. Goodrich, Vice-President, United States Trust Company of New York*

Drawing upon his bank's philosophical approach to, and lessons learned from, investing, Mr. Goodrich offers a terse review of the gamut of considerations he believes should govern portfolio selection for the individual and to meet a trust's requirements. Considered, for example, are the: (1) influencing role of taxes and investors' personal needs and characteristics; (2) criteria in winnowing out companies which includes advice to resist the temptation of higher current income and to focus on future potential, and to use past market trends as a guide but not as a certain, reliable indicator; and (3) need to avoid over-diversification and inertia in portfolio selection and management.

In my comments, I want to touch on four topics: (1) Distinctive features of investing for individuals; (2) Principal versus income; (3) Choosing a stock portfolio; and (4) Determining bond proportions; types and maturities.

I
Distinctive Features of Investing for Individuals

F. N. Goodrich

Income taxes accentuate the differences between aggressive and conservative investors. The aggressive investor is encouraged to emphasize growth by the limitations on income after taxes. The conservative investor is encouraged by the same limitations to seek safety and tax exempt income. Low tax brackets diminish these differences. Taxes encourage a large portion of individual investors to seek capital gains yet discourage many from cashing these gains.

Income taxes and the changing tastes of investors have encouraged a trend toward smaller cash payouts by many corporations and larger plowbacks for growth. In our thinking about the resulting capital gains types of income, confusion has arisen between plowed back earnings—certainly a form of income if one has confidence in the corporation—growth of earnings for other reasons, and the growth in the price of the stock.

The use of trusts by individuals—particularly where there is no provision for paying out principal—frequently forces us back to emphasizing income. On the other hand, trusts are frequently created by estate planning for the avowed purpose of investing for growth.

Long life expectancy and high earned income generally encourage the seeking of growth. Short expectancy generally discourages seeking growth yet also discourages cashing any large gains on existing holdings.

A charitable nature—coupled with the tax laws —makes it easier to cash capital gains through gifts. A charitable nature also makes a larger dividend income seem more worthwhile.

Other personal characteristics also profoundly affect the investor's investment actions; courage to assume necessary risks and ignore fluctuations; patience to wait for long term results; broadmindedness to pay capital gains taxes when desirable; the good sense to accept professional advice; and vision to look at the long term prospects.

II
Principal and Income

The prudent and the far-sighted have always understood that attention must be given to principal first, income second: attention to principal both to conserve it by resisting the temptation of higher current income and to make it grow by focusing on the future potential. The long bull market—and the tax laws—have encouraged an increasing number to concentrate on growth. After all, purchases in mid-1949—11 years ago—of a portfolio of General Elec- (Continued on page 22)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 26.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

This Week's Forum Participants and Their Selections

Dr. Pepper Company—George C. Astarita, Manager New York Stock Exchange Dept., Boettcher & Co., Colorado Springs, Colo. (Page 2)

Hidden Splendor Mining Company —Albert H. Deuble, President, Yorkville Exchange Co., Inc., New York City (Page 2)

GEORGE C. ASTARITA

Manager New York Stock Exchange Department, Boettcher & Co., Colorado Springs, Colo.

Dr. Pepper Company

This year marks the seventy-fifth anniversary of this company and a soft drink which has enjoyed wide popularity during those years in the Southern States. It also will be the year for the virtual completion of a national expansion program. Nearly four years ago this program was undertaken with the advent of new management. If, as seems likely, Dr. Pepper meets with national acceptance, the company will be in time to profit from the growing teenage market. The ingredients of growth are present and the time element is right, therefore, it is the "Security I Like Best".

George C. Astarita

Last year Dr. Pepper added 34 new franchises, to bring its total to 400 and population coverage of the United States to approximately 78%. This year will bring about coverage of nearly 100% of the population of the United States. As a matter of fact, the company is international in scope in that Dr. Pepper is available in bottles and cans in many foreign nations. Vending machines are sold to the company's franchised bottlers, and fountain syrup is distributed to wholesale jobbers.

Largely responsible for the dynamic character of this expansion program is President W. R. Parker, formerly a Vice-President of General Foods. He came to Dr. Pepper several years ago at which time policy was formulated to make the company national in scope. Perhaps at no time in history could Dr. Pepper's expansion program occur at a more propitious moment. A burgeoning teenage market will shortly consume vast quantities of soft drinks and it seems likely that Dr. Pepper, by virtue of its long standing reputation and aggressive promotional efforts, will gain acceptance on a national basis. If this proves to be the case, large rewards are in the offing in that there are only 673,200 shares of common stock outstanding, 21% of which is owned directly or indirectly by directors. Remaining capitalization consists of slightly over $1 million of long term debt. Net working capital at the year-end approximated $2 million, and current assets enjoyed a ratio of 2.4 to 1 over current liabilities. The stock, on the New York Stock Exchange, selling at $12 per share and paying 60 cents (dividends have been paid consecutively for 20 years), to yield 5%, is in the lower part of its range for many years.

Last year syrup sales established an all time record, and total sales amounted to approximately $12,500,000. Earnings per share amounted to 85 cents, and this year, despite substantial costs accruing from expansion activities, earnings are estimated in the neighborhood of $1 per share. With the major portion of expansion expenses to be completed this year, it would seem likely that beginning with 1961 both sales and earnings should trend sharply higher. The purchaser of Dr. Pepper at this time, therefore, can enjoy a 5% return on his money while anticipating benefits to accrue from the expansion program and the injection of new management. This is a growth situation available at a realistic price.

ALBERT H. DEUBLE

President Yorkville Exchange Co., Inc. Members of N. A. S. D., N. Y. City

Hidden Splendor Mining Company 6% Cumulative Preferred

At present the "Security I Like Best" is very hard to find. Dynamic possibilities are lacking in our markets. We have four million unemployed. In the face of ever increasing labor demands and higher general business expenses none of our important corporations has much leeway in reducing prices, thus stimulating domestic demand and, simultaneously, competing effectively in the world markets. Nevertheless both political parties are trying to outbid each other for votes without any regard to solvency and economic self-discipline. Is it not a shameful situation that we, the self-styled leaders of the Free World, suffer again from overproduction and unemployment while — just to mention one European example—Western Germany has made such a sensational recovery that a desperate search is going on for the importation of additional workers from Spain, Portugal, Italy, Greece and other neighboring countries? We, on the other hand, have assumed internal and external burdens which are slowly but surely destroying confidence in our currency, our financial and political system.

Albert H. Deuble

Under these conditions I have for the moment only one suggestion: be satisfied with a good return on minimal risk, and small capital gain possibilities. Any other approach might prove to be an expensive mistake. In an industry which still suffers from the bad odor it developed a few years ago, I believe I have found such a situation: Uranium in general and the Preferred Stock of "THE HIDDEN SPLENDOR MINING COMPANY" in particular. Here we have today one of the nation's largest, widest ranging, and most experienced uranium companies which has sprung out of the merger of Lisbon Uranium, Rio de Oro Uranium, Mountain Mesa Uranium and Radium King. Uranium today is not any longer a small-time operation. The days of the little prospector are over. Big business has arrived and it is the very important and powerful Atlas Corporation which dominates this merger mix.

Hidden Splendor operates under assured government contracts until 1966 and will be able to mine and sell ore valued at between $17 and $20 million a year between now and mid-1966. In 1960 the cash flow should reach $10 million. In the very near future this amount should climb to about $12 million. These figures are very impressive if we consider the modest capitalization: Loans payable have been reduced to $1.4 million; there are now only about 640,000 (end of 1959 about 860,000) preferred shares outstanding with the following features: Par value $11 each; 6% cumulative or 66 cent dividends a year, redeemable at $11.55 a share plus accrued dividends and selling around $10.50 a share in the Over-the-Counter market. The Preferred Stock has the benefit of a sinking fund designed to retire the entire issue by the end of 1965. The company can anticipate these sinking fund requirements by calls for tender of stock or by open market purchases. Atlas Corporation will probably try to eliminate these expensive preferred stockholders as soon as possible. The required premium is only 55 cents a share. By the end of 1961 Hidden Splendor should have accumulated about $20-$25 million in cash and working capital. Only about $7 million will be required to eliminate the preferred shares.

If we assume that the preferred will be retired in two years the return to stockholders should work out like this: $1.32 in dividends received (66 cents for each share a year); $0.55 premium and the stipulated par value of $11, which gives a total amount of $12.87 for each share which can now be acquired for about $10.50. There is nothing sensational about it but the investment looks very safe and the return is excellent. There are now about 4.3 million shares of the common outstanding (selling also in the Over-the-Counter market around $8 a share) paying 70 cents a year.

There has been much talk about an oversupply of uranium. But several months ago, Jesse Johnson, Chief of the Raw Materials Division of the U. S. Atomic Energy Commission, said: "The long range concern is over a possible uranium shortage, not an over-supply." Now, you may or may not agree with the nation's leading uranium expert but certain financial facts appear undeniable: present government contracts to purchase uranium through 1966 will be honored, experienced uranium companies have developed uranium mining to a fine skill and have amassed extremely reliable cost statistics and controls. Hidden Splendor has therefore — in contrast to practically all other industries — no worries about its sales. It has an assured market and an assured price which gives a nice profit margin. Therefore, we are fond of its Preferred Stock; no glamor but a splendid return!

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

Inadequate Depreciation Policies are Dangerous

By Dr. Robert M. Weidenhammer, Professor of Finance, School of Business Administration, University of Pittsburgh*

Author's autopsy of our production capacity and efficiency supports his urgent recommendation to increase steadily the pace of our capital outlays in order to avoid depressions, promote growth and cope with foreign competition. Liberalization of our corporate profits tax and depreciation policies comparable to what foreigners enjoy, instead of raising tariffs, and prevention of recession to assure steady investment are prescribed. This, the author says, should permit our manufacturers to fight back against mounting competition from abroad stemming from such foreign developments as: declining fuel costs, economies of larger scale production and marketing, and lower average age composition with new capacity being added at a higher rate than ours. Dr. Weidenhammer lists the determining factors shaping the investment outlook in the 1960's; comments on the changing ratios of plant and equipment to output and on capital costs to output; and denies increased capital spending causes recessions.

Plant and equipment outlays are the keys to the achievement of both cyclical stability and the desired rate of long-term growth. This definition stands even if we fully realize the relative importance of the two other segments of investment, namely the cyclical swings of inventories and the longer cycle in residential housing. To make a 10-year projection of capital needs of manufacturers it seems proper to begin by analysing the historical role of this segment of our economy. These facts appear to be significant:

R. M. Weidenhammer

Historical Analysis

(1) Going back to 1880, we find the capital-output ratio, that is the investment in plant and equipment needed to produce one dollar of annual sales by manufacturers, rose from 1880-1920 as machinery, steam, and later electricity, were applied to large scale operations and replaced labor. But since about 1925 this ratio has been falling because new machinery was designed not only to save labor but also capital, especially in plant-space occupied.

The modern steel rolling mill, the first of which was installed in 1926 and retired only last year, increased the output of rolled sheet to such an extent that not only most of the back-breaking and dangerous jobs in the old hand rolling mills were eliminated but also that now one single modern continuous mill turned out more sheet at a lower investment cost for plant and equipment than had the dozens of old hand rolling mills housed in dozens of separate buildings now replaced.

Plant and Equipment Saving Trends

Or a more recent example: The tonnage of steel required in the construction and equipment of the Morrisville, New Jersey plant of the United States Corporation was less than half the tonnage in relation to output capacity than the construction of such a plant would have required in the thirties. But a new grass root plant like Morrisville, which is incidentally the only new fully integrated steel plant built privately since the late twenties, did cost $191 per annual ton of ingot capacity while the average cost of the 50% increase in steel ingot capacity between Jan. 1, 1950 and Jan. 1, 1960 was considerably less because the rest was achieved by adding to existing facilities. (The government built the Geneva, Utah, plant during World War II; it cost about $135 per annual ingot ton of capacity, but it was sold after the war for 25% of its cost.)

These examples may illustrate the reason why since 1925 investment in equipment has risen more than twice as fast as investment in plants. This very fact has caused some observers to predict or at least not to rule out an early reversal of this trend. To take again the steel industry as an example: Many of our best steel plant locations have, for decades, been fenced in by rivers, lakes, highways, and residential districts, making horizontal expansion impossible. Still the process of capacity increase per square foot has proceeded year by year and the question has been raised when such investment increases per square foot might reach a limit, and how then would the need for new grass root plants both increase the relative role of plant and of total investment in relation to output gains. Other factors which might accelerate this trend are the geographical shifts in population as source of demand and of labor, as well as the exhaustion of old resources and the use of new sources of raw materials. As a perhaps very limited observation, we might mention that the rapid expansion of the electronics industry seems to require a very low capital-output ratio, and that one of its major location factors appears to be the propinquity of good universities. But this whole question of the future trend of the capital-output ratio is full of cross-currents, and while I lean toward the assumption of a further decline, frankly I have not yet come to any clear-cut conclusions.

(2) In the middle twenties

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Regular Features

Published Twice Weekly
The COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
WILLIAM B. DANA COMPANY, Publishers
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576
CLAUDE D. SEIBERT, Publisher
WILLIAM DANA SEIBERT, President
GEORGE J. MORRISSEY, Editor
Thursday, July 28, 1960

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.)

Other Office: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613).

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

Subscription Rates

Subscriptions in United States, U. S Possessions, Territories and Members of Pan-American Union, $65.00 per year; in Dominion of Canada, $68.00 per year; Other Countries, $72.00 per year.

Other Publications

Bank and Quotation Record — Monthly, $45.00 per year. (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

American Machine & Foundry Company

By Dr. Ira U. Cobleigh, *Enterprise Economist*

Recording a steady expansion of earning power from machinery, missiles, bowling, bread, electronics and atomics.

The trend of the modern well managed large scale American corporation is along two lines—diversification and expansion of international operations. Our topic for today, American Machine & Foundry Co., is almost a text book example of this two-fold corporate development. It has diversified and expanded with some remarkably fine results at the cash register. Long term shareholders in AMF have good reason for contentment in their investment and other investors may find of interest a brief report on the progress and profitability of this energetic company.

Just as background, note that net sales, over a 10 year period, advanced from $26.3 million for the year ended Dec. 31, 1950 to $283.9 million for 1959 and an annual net income, in the same period rose from $2 million to $19 million. Any company that can rack up a record like that must have something on the ball. AMF has! (In this case the "ball" is a bowling ball!)

Diversity of Products

For years American Machine & Foundry has been a major manufacturer of sophisticated and quite specialized industrial machinery. It has researched and produced the most modern high speed, high capacity, equipment for the largest bakeries; and perfected its completely automatic "AMFLOW" system by which fermentation, mixing and forming of broed has become one continuous manufacturing process.

AMF is also the world's leading manufacturer of tobacco processing, cigarette and cigar making and packing machinery which it has marketed all over the world. Other machinery has been volume-produced for the petroleum, automotive, clothing and electrical industries.

Missiles

In national defense AMF plays a vital role. It was recently awarded an $81,567,000 contract for the building of 36 new electromechanical launching systems for the 5500 mile Titan ICBM. This contract brought the company's total (at the end of June) of Titan development, production and testing contracts up to $166 million. Other outer space business at AMF would include a $15 million contract for design and development of radar installations to give warning of, and protect against, nuclear weapons. The company also made the first launchers for the Sergeant missiles, and is the continuing sub-contractor on this project; it is to develop transport elements for the Minuteman intercontinental missile; and at its Greenwich, Conn. laboratory it is working on astronautic robot, an electronic thinking machine that may be our first outer space traveler.

In atomic energy AMG has been a leader. It has built seven research reactors, and is working on 14 more. It also has been building those delicate highly insulated remote control elements for operating, maintaining and fueling atomic reactors.

Leisure Products

And then, in an entirely different area, AMF is active in products for leisure time use, such as toys and bicycles, swimming and skin-diving equipment and sporting goods. Of course, its biggest contribution to the pursuits of leisure is in bowling. Time was when bowling depended on the availability of pin boys — either school kids or often random employed oldsters whose undependable, casual or careles pin-setting often annoyed or enraged avid keglers. Then, after years of research, AMF introduced, in 1952, its patented pinspotter which automatically, instantly and accurately resets bowling pins, and assured a fabulous upsurge in the popularity (and profitability) of bowling throughout the world. So far AMF has more than 75,000 pinspotters installed or on order; and its backlog for these pin-up beauties was 54% greater at the end of this June, than a year earlier. Pinspotters are leased (as is some other machinery) and provide about 90% of the company's total rental income. Not only has the American market responded well to automatic bowling, but abroad the demand is eager and the merchandising of this equipment will be expanded this year in many foreign countries including France, Italy, Australia, Japan and Mexico. Incidentally, AMF makes, in addition to pinspotters, bowling equipment and supplies, and has a division for the construction of lanes.

Along merger (and further diversification) lines, the company has recently acquired the Maxim division of Emhart Mfg. Co. and plans the acquisition of Cuno Engineering Corp. a leader in liquid conditioning and filtering equipment.

The competence and efficiency with which AMF has handled all these diverse products lines speaks volumes for the quality of management. Each division fits into the total program, and the diversity of product mix is a strong insurer of stability and dependability of earning power.

International Business

As a corporation doing a large international business, AMF has been most progressive. For decades it exported its specialized machinery to many countries of the world. With the sensational postwar recovery of Japan, West Germany, Italy, France and England, however, a new problem arose. Foreign competition, due to lower labor costs combined with modern manufacturing equipment challenged AMF abroad. The corporate answer has been to enlarge the AMF international division, to beef upon the overseas sales organization, and in certain instances, to acquire foreign plant facilities. This makes possible not only more dynamic coverage of foreign markets but even importation into the U. S. of company products made cheaper abroad.

AMF sees in the international markets a more rapid growth potential for many of its lines than exists in the U. S., a higher profit margin and a broadening of the base of corporate earning power. AMF, headed by Mr. Morehead Patterson, Chairman, and with Mr. Frank X. White as International Vice-President, is eager and energetic in its promotion of overseas sales.

After reciting at some length the products and the geographic spread responsible for profits at AMF, what can we say about its common stock in today's market? The stock sells for 59, down from the 1960 high of 74¾. It earned $2.52 for 1959. The first half of this year set a new record high for revenues, net earnings and the backlog of orders. So we would expect AMF to show around $3 a share for this year. On that basis the stock sells around 20 times earnings, certainly not a fancy ratio for so excellent an equity. The quarterly dividend has been increased each December in the past four years. Mr. Patterson indicated that another increase may be recommended this year. The earnings would justify it. Present rate is only $1.30. AMF is a fine company, located in lines popular with investors — missiles, leisure items, electronics and automation.

A. F. G. L. Elects McAdams, Allen

The election of John V. McAdams as President of Albert Frank-Guenther Law, Inc., and of Howard C. Allen as Vice-Chairman

John V. McAdams Howard C. Allen

of the board of directors has been announced by Howard W. Calkins, Chairman of the Board and chief executive officer of the national advertising and public relations agency.

As President Mr. McAdams takes over a position which Mr. Calkins had temporarily assumed following the death of Frank J. Reynolds in 1958. Mr. Allen's position as Vice-Chairman is one that has been unfilled since 1952. Both are members of the agency's board of directors and previously were Vice-Presidents.

"In filling these two important management posts," Mr. Calkin said in making the announcement, "we are fortunate in having men of long standing experience who will provide us with a broader management team operation. It is our further intention to reconstitute the executive committee under which the talents of our younger officers will be more fully utilized."

Mr. McAdams, who joined the agency in 1943, was elected a Vice-President in 1949 and a director in 1958.

Mr. Allen joined Rudolph Guenther-Russell Law, Inc. in 1920 and in 1931 was elected a Vice-President of that company before it merged to become Albert Frank-Guenther Law, Inc. He became a Vice-President of the new company following its merger and was elected a director in 1932.

Albert Frank - Guenther Law, Inc. has offices in New York City, Boston, Philadelphia, Chicago, San Francisco and Los Angeles.

T. C. Henderson & Co. Adds Four to Staff

DES MOINES, Iowa — Hurshel Surber, Robert Johnson, Marie Runyan and Col. Homer Miller have become associated with the Sales Department of T. C. Henderson & Co., Inc., Empire Bldg., members of the New York Stock Exchange.

Mr. Johnson was formerly with Taylor, Rogers & Tracy, Chicago, Illinois.

B. C. Morton Branch

BOSTON, Mass.—The B. C. Morton Organization has opened an office in Lexington, Ky. with Willard L. Dougherty as resident manager, Bernard Carver, President announced.

The Lexington office, located at 321 South Ashland Ave., is the fourth to be opened by B. C. Morton in Kentucky.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

Construction contracts in the United States in June showed considerable improvement over May, although they remained below the high levels reported a year ago, *F. W. Dodge Corporation* said on July 28.

Despite continued weakness in housing, gains in non-residential building and heavy engineering pushed the seasonally adjusted Dodge Index of construction contracts to 272 (1947-49 average equals 100), the highest point it has reached this year. The Index for May was 244.

Commenting on the trends shown by the figures, Dr. George Cline Smith, Vice-President and chief economist of the construction news and marketing firm, said that the June improvement is a good sign for business activity in the second half of 1960.

"Because the contracts are for construction that will take place in the immediate future, and because construction is by far the nation's largest fabricating industry, the pick-up in contracts in June should provide a powerful business stimulant," Dr. Smith said.

"Unfortunately, housing contracts still show no sign of an upturn. Outside of housing, however, nearly every important category of construction showed strength in June. Notable gains over a year ago were reported for commercial and industrial buildings, schools, churches, highways, and electric utilities."

June contracts, according to the Dodge figures, totalled $3,472,276,000, down 5% from June, 1959.

Bank Clearings Show 10.2% Gain Over 1959 Week

Bank clearings last week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, July 23, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 10.2% above those of the corresponding week last year. Our preliminary totals stand at $28,206,864,224 against $25,595,119,329 for the same week in 1959. Our comparative summary for some of the principal cities follows:

	000's Omitted		
	1960	1959	%
New York	$14,744,783	$12,958,130	+ 13.8
Chicago	*1,440,000	1,270,187	+ 13.4
Philadelphia	1,164,000	1,087,000	+ 7.1
Boston	835,293	763,162	+ 9.5

*Estimated.

Increase in Urgent Orders Indicates Upturn in Steel Is Starting

Many steel consumers are running short of the metal, *Steel*, the metalworking weekly, reported July 25.

They are placing small orders with the mills for fast delivery, and many who normally would be booking tonnage for September are asking for late July or early August shipments. At some sales offices, orders are coming in at the best rate since April.

Steel declared that the pickup in urgent orders indicates that the upturn in demand is starting. It will proceed slowly through August.

When automakers start releasing big orders, the market will tighten, and steelmakers will have to quote longer deliveries. When that happens, smaller users will come into the market with a rush. They will all try to build inventories simultaneously, forcing the mills to quote even longer deliveries.

Steel looks for liquidation of excess inventories to end next month.

At most, domestic shipments of steel this month will not exceed 4.5 million tons—the smallest volume of any nonstrike month since July, 1958. Assuming consumption of at least 6 million tons, user inventories will shrink by 1.5 million tons. Some analysts predict a 2 million ton drop.

At the beginning of the month, it was believed that consumer inventories were about 16.5 million tons. If they fall to 14.5 million tons by July 31, they will be within 1 million tons of the level that is generally regarded as a working minimum.

As demand for steel gains momentum, additional support may come from machinery builders. There's a good chance for an upturn in this segment because plans for capital spending are in excess of what's being done currently.

Nonresidential construction and railroad carbuilding will also contribute to the upswing. Both should require more steel than they consumed in 1959.

Household appliances aren't expected to take as much steel as they did last year. The same applies to oil and gas drilling, housing starts, electrical machinery, cans, tractors, farm equipment, and service centers.

Last week, steelmaking operations climbed 2.8 points to 54.6% of capacity. Output: About 1,566,000 ingot tons. For the first time since April 17, Youngstown was not the lowest operating district. At 46% (up 11 points), it edged ahead of Cincinnati which operated at 45 (up 2 points).

Continued heavy buying of steelmaking scrap for overseas shipments is counteracting the effects of slow demand from domestic mills. *Steel's* price composite on No. 1 heavy melting grade remained at $31.67 a gross ton last week.

Price fighting is jarring steel service centers, *Steel* reported. A highly competitive situation has developed since last spring. Price cutting attending efforts to unload heavy stocks and stimulate demand has forced the lowering of published prices. Some distributors are offering steel below the newly published minimums.

Auto Industry Holds Key to Steel Production

Autos hold the key to any major upswing in steel production. And the steel industry has been anxiously waiting for a clue to the automakers plans.

The auto industry has at last started ordering steel, according to *The Iron Age*, the national metalworking weekly. But, the magazine notes, the orders aren't as informative as the steelmakers would like. They have both positive and negative characteristics.

On the plus side:

Orders are coming from all quarters. Medium- and small-size supplier companies as well as the automakers are placing orders. Many of these had bought little or nothing in recent months. Their placing of steel orders indicates they are receiving releases from the auto companies for new model production.

All product lines are represented — hot- and cold-rolled sheet and strip, carbon and alloy bars, and stainless steel. The

product mix follows traditional patterns, *The Iron Age* says.

Buyers are ordering on the basis of normal 45-day lead times. This indicates the orders are not inventory hole-fillers. Users are asking to get on first mill schedules for various products. And some companies, notably parts suppliers, are placing orders for October and November.

Negative factors:

The metalworking weekly notes automotive orders are coming in a month later than expected. Orders call for delivery in September, indicating no earlier than October automobile production.

Except for rush orders, mills will still be flat on their faces in August. They're trying to borrow from September production, the magazine notes, asking users to take delivery of steel in August. Rate of incoming orders for August is such that some mills are hard pressed to keep equipment running until they can "bunch" orders.

Ordering still seems to be concentrated in the Detroit area. There has been no significant change in automotive orders in other districts.

Other large steel users are failing to support the market. Appliances hold some promise for fall orders, but a large finished goods inventory leaves the timing doubtful. Farm implement makers are holding off. Railroad buying has all been ceased to be a factor in the market.

Oil and gas industries are weak. Home building lags. And warehouses are still trying to get out from under inventories, *The Iron Age* says.

Consequently, the improvement showing up in automotive steel orders must be considered relative. By themselves they're not enough to carry the industry. Rate of incoming orders hasn't been enough to change August delivery time significantly. In the East, delivery times have actually shortened for some products.

There's a possibility that continued low order intake for next month could actually cause an extension of lead times if some mills are forced to shut down or further reduce operations.

This Week's Steel Output Based on 53.8% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *95.4% of steel capacity for the week, beginning July 25, equivalent to 1,533,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of *96.5% and 1,550,000 tons in the week beginning July 18.

Actual output for last week beginning July 18, 1960 was equal to 54.4% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity is 53.8%.

A month ago the operating rate (based on 1947-49 weekly production) was *94% and production 1,510,000 tons. A year ago the actual weekly production was placed at 345,000 tons, or *21.5%. At that time the industry was virtually closed down due to a strike of the steel union.

*Index of production is based on average weekly production for 1947-49.

GM Main Factor in Past Week's Car Output: Chrysler Shutdown Idles 70,000

Nearly 20,000 workers in the Detroit area and 50,000 workers nationally will be idled during Chrysler Corp.'s model changeover shutdown, *Ward's Automotive Reports* said.

Ward's said that Chrysler and Studebaker-Packard Corp. wound

Continued on page 38

OBSERVATIONS...

BY A. WILFRED MAY

EIGHTY BILLIONS OF "DIFFERENCE"

CHICAGO, July 27—A substantial representation of the Republicans' Right Wing, along with a number of non-partisan observers, have for some time been worrying over the prospect that Vice-President Nixon's liberalism from 1952 (if you please), will eliminate the voters' opportunity to register a clear-cut choice between the *Big Government-ers* and the *Private Sector-ites*.

Now with the pushing of Mr. Nixon further and further Leftward by Candidate, no-Candidate, Draftee-Candidate, Governor Rockefeller, culminating in last Saturday's "Daybreak Accord," the Tweedle-Dum Tweedle-Dee worry has naturally grown.

Surely the developments here in Chicago warrant the observer's tendency toward the "plague on both your houses" reaction.

Mr. Nixon's on-arrival press conference did nothing to dispel the impression that he has given in to Governor Rockefeller's pump-priming philosophy. Their Accord, in discussing Defense Needs, specifies, righteously, that "there be no price-ceiling on America's security." But the document contains not a word about a "price ceiling" on our *domestic* needs, aims, desires, and welfare "rights."

Hence, we ourselves have been on the verge of concluding that the only difference between the Republicans' and Democrats' promise of "fiscal responsibility" consists in the GOP's editing-down of Harry Hopkins' sloganizing of the New Deal fiscal policy as "Tax and tax, spend and spend, collect and collect," to once-each "tax and spend and collect." But observance of the process of Democratic platform-formulation, and the surrounding discussions by Chester Bowles and some of the Kennedy economics Brain-Trusters (a harmless proposal for an endorsement of debt reduction was dogmatically ruled out both in and outside the Platform Committee), makes the fact of difference indisputable. This is not only owing to the platform's detailed specifications of the "*Rights of Man*" (to the Government's largess); but more significantly, to the fact that the Democratic leadership knows exactly what it wants and where it is going.

Spelling It Out

What can the Republicans and interested non-partisans do to clarify such difference between the two parties' policies comprehensively? It must be taken into account that the present generation of voters does not even remember who Harry Hopkins was, or the following economic stagnation of the later 1930s.

The correct key, in our opinion, has been supplied by Governor Dewey. At his press conference here, answering the query put by May Craig, Maine newspaper woman and TV interview "needler," Mr. Dewey replied that the difference will be "only about $10 billion in the drain on your Treasury." **As a matter of fact, as Budget Director Maurice Stans disclosed to the writer this morning, a detailed analysis by his departmental experts, shows that the five-year cost to the Treasury of the "Rights of Man" items promised in the Democratic platform would total $80 billion; with the annual dollar blitz ranging between $15 and $20 billion.** Under the assumed, but warranted premise that a major difference in *degree* denotes a difference in kind that can be understood by the public, we believe such a succinct statement will truthfully and constructively "do the trick" of conveying the root Democratic-Republican difference regarding the paying of the Welfare bill.

An early laboratory test of the workability of the Dewey theme can be gotten promptly, beginning August 8, with the opening of the Campaign by the reconvened Congressmen. Most significantly, we'll be viewing majority leader Lyndon Johnson in his new role as the Democrats' election campaigner number two: in a preview of the dire budget sabotaging likely to result from the abandonment (should he be elected) of his past constructive role of brake on his party cohorts' treasury raids. The importance of the August Congressional Session was underlined by the President here this morning via the emphatic revelation of his intention, made in his informal remarks, at Senator Thruston Morton's breakfast, to remain wholesouledly "in the act" himself.

* * *

ROCKY AND LEWIS A SEQUEL TO "ADLAI AND WILMA"

In our article from Los Angeles last week (July 21) we explored the question of analogy of the political "proceedings" at that Democratic arena, to the goings-on at the present-day company shareholders' meeting. We pointed out some of the similarities, as those revealed in the proceedings involved in the *political* minority's vociferous, whole-souled uprisings for Adlai Stevenson, as furthered by Mrs. Roosevelt; and the equally voluble missions championed by Mrs. Wilma Soss, the colorful President of the indomitable Federation of Women Shareholders in American Business. We pointed out that although both ladies, along with their fellow-protagonists have had the floor, and also some of the justice, in their similar lack of that little matter of a good supply of *votes*, their plaints have been self-exhausting and fruitless.

And among the dissimilarities, we cited the observance of truthfulness, perhaps because of the legal proscriptions, of all statements made from the *corporate* rostrum.

We now continue the company meeting — political convention comparison, with the latter's background locale shifted to the GOP's amphitheatre here.

* * *

Eugene Grace, former Bethlehem Steel chief who died this week, some 20 years ago unwittingly put Lewis Gilbert "in business" via a wide-swinging pass at that coming champion's (of stockholders) glass jaw. While actual resort to physical fisticuffs was unusual, managements' open display of temper at protests against executive salaries was common in those times.

Similarly, Mr. Gilbert shortly thereafter gleefully reported his cajoling of the august Chase Bank President, Mr. Winthrop Aldrich, into expectorating into the ocean by way of reaction to Gilbertian corporate views volunteered on transatlantic shipboard.

Such incidents highlight the change in the company managers' reaction to stockholder contention which has transpired over recent years. Five years ago, on the advice obtained from financial pressmen invited to a "strategy meeting" the day before he was "in for" his institution's annual shareholders' meeting and another sure "needling" from "that Gilbert pest" (Lewis D. Gilbert, who had become more legitimate and effective as the protagonist of the small stockholders' rights) the President of a leading New York bank decided to change over to an attitude of sweetness and brotherly love. And "it worked."

In the same vein, the following year the chairman of an industrial company on every Blue List of august respectability (and an NAM member) gave a luncheon, attended by 14 prominent guests from the managerial world, to honor Mr. Gilbert (hitherto "that corporate gad-fly") on the publication of his new book, "DIVIDENDS AND DEMOCRACY," (in which our full-time defender of the small stockholder used the enlarged vehicle [over 300 pages] to blast the daylights out of non-cumulative voting and otherwise "pilfering" managers).

The Context of Appeasement

And, so onward in the corporate world, with the *manner* of both the managers (accompanied by free lunches) and of the recalcitrant stockholder (still with noise) becoming quite meticulous — but with schism on company policies along with that all-decisive vote result remaining just about as before. Truly, a public relations triumph for both the managers and the defenders of the shareholder faith — but without cure of the importance of those vigorously defended minority voters co-owning the property!

And similarly in the realm of politics (elevated from the gutter of the former precinct days)! There too we find the "management" chief (i.e., the Republican V.-P. who has likewise "rigged" himself with the votes as the representative of "the management") flying from Washington to New York to spend almost half the night appeasing that too-noisily trouble-making dissenter.

Both protagonists of the minority in their respective areas, Messrs. Rockefeller and Gilbert, evidently not only get pleasure from the public *image* which they are creating, but also find it practically useful to make a continuous minority record for a future scaling of the communal heights —into the White House for the former, to the SEC for Mr. Gilbert. (Both gentlemen reputedly owning all the Standard Oil shares they want, public service is their life's logical aim.)

In political convention procedure the autocratic functioning of the chairman is indicated by this correct description of indispensable qualifications: A voice loud enough to shout down anyone in the hall, and an astigmatism that can conveniently overlook any delegate demanding the floor at the wrong time or for the wrong purpose. On the stockholder's carnival day, in contrast, the company chairman enjoys no such protection; the efficient Mr. Gilbert unfailingly manages to retain possession of a good loud mike from the start of the proceedings, or else have ready access to one.

On the Platform Issues—Political And Corporate

On the question of issues, there are both points of analogy and dissimilarity between the corporate and political handling. To both dissenters, fine lip service is paid to their demands; but in most instances, when backed by the votes, they continue on their merry way (excepting for the sacrosanct issues of Civil Rights in politics, and larceny in company dealing — in both of which "the other fellow" is being affected).

A phase of dissimilarity vis-a-vis issues is that a relatively new political dissenter like Rocky functions broadly; widely scattering his shots as a continuing leader of "the loyal opposition." On the other hand, the veteran company minority spokesman, Gilbert, because of sincere convictions, or because he has become gradually "grooved" therein, or for the facilitation of his public's education, concentrates on a comparatively few specific "pet" issues, as salaries, options, cumulative voting, and the post-meeting report.

Will the "Madison Avenue" P.R. wizards be continuing their domination in both fields—alike over the minority dissenters as well as those in The Chair?

* * *

NON-PARTISAN "COMMERCIAL"

In its handing out of free samples to the press at both the Democratic and GOP Conventions, instead of limiting them to either, the distributors of *MURINE* have displayed particularly appropriate integrity. For this product is, of all things, an EYE WASH (which is competitively supplied, as Harry Truman has insisted, by the primaries as well as the Conventions proper).

Form Gregory-Massari Firm

BEVERLY HILLS, Calif.—Gregory-Massari Inc. has been formed with offices at 326 South Beverly Drive to engage in a securities business. Officers are Robert N. Gregory, President; Paul Massari and George W. Gregory, Vice-Presidents; and Raymond A. Yarcho, Secretary-Treasurer. Robert N. Gregory was formerly with Crowell, Weeden & Co. and Daniel Reeves & Co. George Gregory and Mr. Massari were previously with Hayden, Stone & Company.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The state and municipal bond market continued strong throughout the past week. The market's sudden technical improvement seems an inevitable result of the extremely strong Treasury bond market that has persisted, with temporarily upsetting variations, for a few months. The Treasury appears to be in a stronger position than recently, as the August refunding announcement (expected today) approaches. With heavy cash balances, and with a budget surplus for the past fiscal year, bullish sentiment has been easy to come by. The easier stock market and the general political inferences concerning easier money have recently contributed much impact to more widespread investor interest in bonds generally. The planned reduction of the national debt by $1.4 billion, although insignificant relatively, seems of great importance psychologically.

Although free reserves have been substantially reduced, and presently appear to average in the $100,000,000 area, against a recently much higher average, it is obvious that the consistent presence of free reserves at all, is a plus factor in the trend toward an easier reserve situation and a consequently higher bond market.

Strong Investor Interest

The supply of new state and municipal issues has recently been greatly reduced, due largely to the habits of issuers to avoid a large offering in the traditional vacation month of August. The coincidence of little new issue pressure, and the dramatic surge in Treasury security prices, has forced investors to consider the plentiful offerings of tax-exempt bonds in the secondary market, generally available at still generous yields. As indicated by the *Blue List*, the high total of state and municipal offerings was reached on July 12, when the figure was about $473 million. At that time, just two weeks ago, the municipal market was generally easy. Markets were thin and investor interest was passive.

Currently, circumstances are quite different marketwise. The *Blue List* total of municipals is about $327 million, dollar quoted markets are higher and stronger and general investor interest is active. Although there has been considerable dealer market activity for purposes of mark-up in prices before reoffering, it is apparent that an almost unprecedented total of tax-exempt bonds has gone out of the market during the past two week period.

Political Climate Aids Tax-Exempts

This surge of buying has not only derived from institutions that have been somewhat behind in their state and municipal bond buying programs, but also from individual investors who may temporarily be emphasizing the purchase of tax-exempt bond holdings as against holdings of common stock, particularly those in the growth category. During the lengthy strong period of the stock market, capital gains meant more to most investors than did tax-exempt income. Suddenly frustrated growth stock owners have become more interested in tax-exempt bonds.

The political situation, too, engenders more interest on the part of investors in tax-exempt bonds since nary a politician exudes hope that tax relief is even in sight. Actually, most of them seem willing to prepare us for higher taxation even though there is signal evidence that the burden of our Federal, state and local taxes is beginning to frustrate the vigor of our economy. This situation is turning investors gradually to reconsider tax-exempts, at least as an interim holding.

Prices Rise Again

The *Commercial and Financial Chronicle's* state and municipal bond yield Index was reduced this week to 3.37%. Last week the average yield was 3.396%. This represents an average market rise for selected high grade 20-year bonds of about three-eighths of a point. It is a sizable gain for this category of investment, although long Treasury bond issues as well as dollar quoted revenue issues made greater gains over the same period. The *Smith, Barney & Co.* Turnpike bond yield Index was 3.88% on July 21, which was the last reporting date. The previous week's Index had been 3.94%. This represents an average market rise of about one point for that week. If averaged today the market rise would be more.

A week ago, the $30,000,000 Washington Toll Bridge Authority 4.90% issue due 2000 was being offered at par by Blyth & Co., Inc., Smith, Barney & Co., Lehman Brothers and their group. The issue met with good investor reception and most of the issue has been placed.

Recent Financing

A few interesting if not important new issue offerings were brought to market on Tuesday of this week. Lake County, Fla. (Leesburg) School District No. 1 awarded $6,500,000 general obligation (1962 - 1979) bonds to the group headed by B. J. Van Ingen & Co., Inc., John Nuveen & Co., White, Weld & Co., Equitable Securities Corp., and including several others. Prices were scaled to yield from 2.75% to 4.00% and the reception given the offering was good.

Milwaukee County, Wis., a highly rated credit, sold $6,000,000 general obligation (1961 - 1980) bonds to the syndicate managed by Halsey, Stuart & Co., Inc. and including Lehman Bros., Weeden & Co., Fahnestock & Co., and others. Scaled to yield from 1.90% to 3.10%, the issue is better than half sold.

Also sold on Tuesday were $7,700,000 State Board of Education of Florida (1962-1981) bonds secured by a prior lien on state motor vehicle license taxes. Halsey, Stuart & Co., Inc., B. J. Van Ingen & Co., Inc. Kidder, Peabody & Co., John Nuveen & Co., and others were high bidders and are offering the bonds at prices to yield from 2.75% to 3.90%. More than half of the issue has been sold, it is reported.

Wednesday's only large new issue offering involved $10,525,000 Houston, Texas various purpose limited tax (1961-1985) bonds. The winning group was managed by The First National City Bank of New York and included Harriman Ripley & Co., The Morgan Guaranty Bank, Shields & Co., Kuhn, Loeb & Co., and others. The reoffering is being made at yields ranging from 2.00% to 3.60%. Reports indicate a good reception for the offering.

Chesapeake Bays Imminent

Yesterday an information and price meeting was held for the $200,000,000 Chesapeake Bay Bridge and Tunnel District issue. The joint managers are The First Boston Corp., Allen & Co., Merrill Lynch, Pierce, Fenner & Smith, Inc., and Willis, Kenny & Ayres, Inc. The $70 million series A first pledge revenue bonds will be 4⅞s due 2000; and $30 million series B second pledge revenue bonds will be 5½s due 2000; and the $100 million series C third pledge revenue bonds will be 5¾s due 2000; all to be offered at par. The signing is expected to take place Monday, Aug. 1, and delivery of the bonds is anticipated for early September. A nationwide group of underwriters is involved.

New York Housing Agency's Financing Program

Phelps, Fenn & Co. have contracted with the New York State Housing Finance Agency for the marketing of approximately $525,000,000 of housing bonds over a period of time. The first installment of about $100,000,000 may be brought to market this year, possibly in mid-November. Among the principal members of the syndicate will be Lehman Bros., Smith, Barney & Co., and W. H. Morton & Co. This State agency was set up at the last session of the Legislature in order to attract funds to middle income housing financing.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.80%	3.65%
Connecticut (State)	3¾%	1980-1982	3.35%	3.25%
New Jersey Highway Auth., Gtd.	3%	1978-1979	3.30%	3.20%
New York (State)	3%	1978-1979	3.15%	3.05%
Pennsylvania (State)	3⅜%	1974-1975	3.15%	3.05%
Vermont (State)	3⅛%	1978-1979	3.15%	3.05%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.35%	3.25%
Los Angeles, Calif.	3¾%	1978-1980	3.75%	3.65%
Baltimore, Md.	3¼%	1980	3.45%	3.35%
Cincinnati, Ohio	3½%	1980	3.40%	3.30%
New Orleans, La.	3¼%	1979	3.60%	3.50%
Chicago, Ill.	3¼%	1977	3.75%	3.60%
New York City, N. Y.	3%	1980	3.97%	3.92%

July 27, 1960 Index=3.37%

H. L. Heffelfinger Opens Own Co.

PHILADELPHIA, Pa.—Harry L. Heffelfinger and Ralph T. Harker have formed a partnership, H. L. Heffelfinger & Co. with offices

H. L. Heffelfinger Ralph T. Harker

in the Philadelphia National Bank Building, to conduct an investment business. Both were formerly partners in Samuel K. Phillips & Co.

H. M. Pflatz Opens

SHORT HILLS, N. J.—Hugh M. Pflatz has opened offices at 10 Windermere Terrace to act as a mutual fund consultant. Mr. Pflatz was formerly with Kidder, Peabody & Co. and Bruns, Nordeman & Co.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Information, where available, includes name of borrower, amount of issue, maturity scale, and hour at which bids will be opened.

July 28 (Thursday)			
Delaware Co., Pennsylvania	5,150,000	1961-1990	2:00 p.m.
Delaware Co., Institution District, Pennsylvania	3,150,000	1961-1990	2:00 p.m.
Jamesville, Wisconsin	1,810,000	1961-1980	11:00 a.m.
Tucson, Arizona	2,310,000	1962-1981	10:00 a.m.
Tyler Indep. School Dist., Texas	1,500,000	1962-1978	7:30 p.m.
July 29 (Friday)			
Farmington School District, Mich.	1,500,000	1962-1986	8:00 p.m.
Aug. 1 (Monday)			
Seattle, Washington	4,500,000	1962-1980	10:00 a.m.
Aug. 2 (Tuesday)			
Boston, Massachusetts	1,500,000	1961-1975	Noon
*Chesapeake Bay Bridge and Tunnel District, Va.	200,000,000	2000	-------
*Negotiated underwriting to be handled by The First Boston Corp., Allen & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., Willis, Kenny & Ayres, Inc.			
Everett, Washington	2,700,000	1963-1990	11:30 a.m.
Hartford, Connecticut	1,805,000	1961-1980	Noon
Mississippi	3,000,000	1964-1994	10:00 a.m.
Aug. 3 (Wednesday)			
Cadillac, Michigan	1,170,000	1963-1990	7:30 p.m.
Wichita School Dist. No. 1, Kansas	2,500,000	1961-1980	9:00 a.m.
Aug. 4 (Thursday)			
Boston Metro. District, Mass.	5,480,000	1961-1980	8:00 p.m.
Indianapolis Flood Control Dist., Indiana	1,610,000	1962-1984	10:00 a.m.
Aug. 5 (Friday)			
Waterloo, Iowa	1,000,000	1961-1975	Noon
Aug. 9 (Tuesday)			
Los Angeles County, California	11,200,000	-------	-------
New Ulm Independent School District No. 83, Minnesota	1,100,000	1963-1980	2:00 p.m.
Ohio State Univ. Dormitory Ohio	4,360,000	1961-1999	11:00 a.m.
Aug. 10 (Wednesday)			
Macomb Co., Michigan	6,600,000	1960-1989	2:00 p.m.
Marin Co. Municipal Water Dist., California	3,000,000	1964-1989	11:00 a.m.
Terrebonne Parish, Louisiana	1,300,000	1961-1980	10:00 a.m.
Aug. 15 (Monday)			
Cabrillo Jr. Union Jr. College Dist., California	2,000,000	1961-1985	11:00 a.m.
Tri-Cities Mun. Water Dist., Calif.	3,000,000	1963-1990	7:30 p.m.
Aug. 16 (Tuesday)			
Niagara Co., Water Dist., N. Y.	4,500,000	1961-1990	-------
Aug. 17 (Wednesday)			
Fresno Redevelopment Agency, California	1,000,000	1990	11:00 a.m.
Aug. 18 (Thursday)			
Westlake City Sch. Dist., Ohio	2,100,000	1962-1982	1:00 p.m.
Aug. 23 (Tuesday)			
Cherry Hill School District, Mich.	1,200,000	1961-1985	7:30 p.m.
Iberville Parish, Louisiana	1,000,000	1962-1985	2:30 a.m.
San Mateo Jr. College Dist., Calif.	5,900,000	-------	-------
Washington	34,000,000	-------	-------
Aug. 24 (Wednesday)			
East Bay Municipal Utility Dist., California	30,000,000	1961-1995	10:00 a.m.
Sept. 1 (Thursday)			
Fort Myers, Florida	2,000,000	-------	-------
Rochester, New York	9,157,000	-------	-------
Sept. 7 (Wednesday)			
Alameda—Contra Costa Transit District, California	16,500,000	1961-1980	-------
St. Anthony Indep. School District No. 282, Minnesota	1,000,000	1963-1985	2:00 p.m.
Sept. 8 (Thursday)			
Los Angeles, California	4,000,000	-------	10:00 a.m.
Sept. 12 (Monday)			
Red Wing Indep. School District, Minnesota	1,500,000	-------	2:00 p.m.
San Francisco, California	21,455,000	1961-1975	-------
Sept. 14 (Wednesday)			
Greenwood Metro. Sewer District, South Carolina	1,600,000	-------	-------
Sept. 20 (Tuesday)			
Milwaukee, Wisconsin	10,750,000	-------	-------
Oct. 5 (Wednesday)			
Los Angeles Department of Water and Power, Calif.	12,000,000	-------	-------

Oct. 18 (Tuesday)

Los Angeles Co. Flood Control District, California	10,000,,000	--------	--------

Nov. 15 (Tuesday)

Los Angeles City Harbor District, California	12,000,000	--------	--------
*New York State Housing Finance Agency, New York	100,000,000	--------	--------

*Negotiated sale to be underwritten by a syndicate managed by Phelps, Fenn & Co., and including, among others, Lehman Bros., Smith, Barney & Co., Inc., and W. H. Morton & Co., Inc.

Dec. 13 (Tuesday)

Los Angeles County Hospital Dist. California	7,000,000	--------	--------

Jack D. Rich Opens

(Special to The Financial Chronicle)

FRESNO, Calif.—Jack D. Rich is engaging in a securities business from offices at 332 East Shields Avenue. Mr. Rich was previously with The First Sierra Corporation.

Pax Inv. Secs. Formed

LEXINGTON PARK, Md. — Pax Investment Securities has been formed with offices at 311 Midway Drive to engage in a securities business. Marvin C. Franzen, formerly with Balogh & Co., is a principal.

Oppenheimer Branch

FT. LAUDERDALE, Fla.—Oppenheimer & Co. has opened a branch office at 2300 Oakland Beach Park Boulevard under the direction of Neil Van Wyck.

Melvin Scoville Branch

OLYMPIA, Wash.—Melvin J. Scoville and Associates has opened a branch office at 508 Washington Street, under the direction of Melvin J. Scoville.

Form Ronald Mark Co.

NORTH BELLMORE, N. Y.—Ronald Mark & Co., Inc. has been formed with offices at 1040 Bellmore Road to engage in a securities business. Officers are Sidney Simon, President and Treasurer, and Gwendolyn Simon, Secretary.

Now Waters & Co.

WASHINGTON, Calif.—The firm name of Robert L. Waters and Company, 4803 Wisconsin Ave., N. W., has been changed to Waters & Co.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Bank Stocks — 113th consecutive quarterly comparison of leading banks and trust companies of the United States — New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Bond & Money Market Review—First National Bank of Chicago, Dearborn, Monroe & Clark Streets, Chicago, Ill.

Canadian Market — Review — Saunders Cameron Limited, 55 Yonge Street, Toronto 1, Ont., Canada.

Citizens Utilities Company—Analysis — New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Conservative Stocks — Suggested list—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

Control Computers — Survey — Globus Inc., 660 Madison Avenue, New York 21, N. Y.

Electronics Industry — Report — Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also available are reports on **Standard Packaging, American Greetings Corporation, P. Lorillard Co., American Motors** and **Frank G. Shattuck Co.**

Electronics Industry — Analysis with particular reference to **Bendix Corp., Sperry Rand, Zenith Corp., Collins Radio, General Precision Equipment** and **Philco Corp.** —Bache & Co., 36 Wall Street, New York 5, N. Y. Also available are bulletins on **Hooker Chemical** and **Kratter Corp.**

Ethical Drug Stocks—Analysis—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Fabulous Fibres—Report—Calvin Bullock Limited, 1 Wall Street, New York 5, N. Y.

Favorite Fifty — Selected list of stocks at the third quarter—Van Alstyne, Noel & Co., 40 Wall St., New York 5, N. Y.

Fire & Casualty Insurance Company Stocks—Data on 39 of the major stock, fire and casualty companies—First Boston Corporation, 15 Broad Street, New York 5, N. Y. Also available is a report on **Baltimore National Bank.**

Indian Market—Report including review of Indian **Sugar Industry**—Harkisondass Lukhmidass, 5 Haman Street, Bombay, India.

Insurance Stocks — Bulletin — Robert H. Huff & Co., 210 West Seventh Street, Los Angeles 14, Calif.

Japanese Market — Review — Yamaichi Securities Co., of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reviews of **Komatsu Manufacturing Co. Ltd.** and **Ebara Manufacturing Co. Ltd.**

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a discussion of the new administrative amendment to the foreign investment law of Japan and analyses of **Sony, Mitsui Bussan, Fuji Electric Manufacturing, Nippon Steel Tube, Isuzu Motor, Toyo Rayon, Toyota Motor, Mitsui Chemical Industry,** and **Kirin Breweries.**

Life Insurance Stocks for Growth — Analytical brochure — Model, Roland & Stone, 120 Broadway, New York 5, N. Y.

Natural Gas Industry — Review with particular reference to **Brooklyn Union Gas, Columbia Gas System, Consolidated Natural Gas, Northern Natural Gas, Pacific Lighting, Peoples Gas, Light & Coke,** and **United Gas**—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **Columbia Broadcasting System, Spartans Industries, Boston Edison** and **Newmont Mining Corp.**

New York City Bank Stocks — Mid-year earnings comparison of leading banks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Rail Mergers—Discussion of profit opportunities—Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y.

Soviet Bloc Trade in Latin America — Report in "Latin American Business Highlights" — Chase Manhattan Bank, 18 Pine Street, New York 15, N. Y. In the same issue is a discussion of the **Future of Latin American Trade.** Also available is a review of the **Petroleum** situation.

Stocks Representative of Major Industries—Statistical data—F. S. Moseley & Co., 120 Broadway, New York 5, N. Y.

United States Banks — Comparative figures on the 15 largest banks in the United States—Bond Department, Bankers Trust Company, 16 Wall Street, New York 15, N. Y.

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ABC Vending Corp.—Report—A. M. Kidder & Co., 1 Wall Street, New York 5, N. Y. Also available is a report on **Philip Morris, Inc.** and an analysis of **Bowl Mor Company, Inc.**

AMP Incorporated—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Aetna Finance Company—Analysis—Scherck, Richter Company, 320 North Fourth Street, St. Louis 1, Mo.

Allied Chemical—Analysis—Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

Allied Stores — Memorandum — Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

American Metal Climax vs Alcoa — Report — Goodbody & Co., 2 Broadway, N. Y. Also available are memoranda on **Ampex Corp.** and **Pittston Co.**

American Photocopy—Analysis—Herbert E. Stern & Co., 52 Wall Street, New York 5, N. Y.

American Viscose Corporation — Analysis—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Bobbie Brooks Inc. — Review — Orvis Brothers & Co., 15 Broad Street, New York 5, N. Y. Also in the same circular are reviews of **Brunswick Corp., Colgate Palmolive Co., Columbia Broadcasting System, Harris Intertype Corp., International Telephone & Telegraph Corp., Revlon, Inc., R. J. Reynolds Tobacco Co.** and **Warner-Lambert Pharmaceutical Co.**

Canadian Chemical Co., Ltd. — Report—Ross, Knowles & Co. Ltd., 25 Adelaide Street West, Toronto, Ont., Canada.

Chance Vought Aircraft—Data—Oppenheimenr, Neu & Co., 120 Broadway, New York 5, N. Y.

Creole Petroleum—Data—Purcell & Co., 50 Broadway, New York 4, N. Y.

Electric Bond & Share—Analysis —Robert Garrett & Sons, Garrett Building, Baltimore 3, Md.

Electric Bond & Share Company—Review — Ernst & Company, 120 Broadway, New York 5, N. Y.

Endicott Johnson Corporation — Analysis—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

Ets-Hokin & Galvan, Inc.—Analysis—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y. Also available are data on **Freuhauf Trailer.**

Fairchild Camera and Instrument Corporation — Analysis — Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

Falconbridge Nickel Mines Limited—Analysis—Draper Dobie and Company Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

Faradyne Electronics Corp. — Analysis — Ross & Hirsch, 120 Broadway, New York 5, N. Y.

Financial Federation Inc.—Report — L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also in the same circular are data on **National Steel.**

Harn Corporation — Report — Darius Incorporated, 80 Pine St., New York 5, N. Y.

Imperial Chemical—Memorandum —Alfred Bunting & Co., Dominion Bank Building, Toronto, Ont., Canada.

Inspiration Consolidated Copper—Data—du Pont, Homsey & Company, 31 Milk Street, Boston 9, Mass. Also in the same circular are data on **United States Freight, Allis Chalmers** and **Brooklyn Union Gas.**

International Nickel Company, Ltd.—Analysis—Golkin, Bomback & Co., 25 Broad Street, New York 4, N. Y.

Laboratory for Electronics, Inc.—Memorandum — First California Corporation, 300 Montgomery St., San Francisco 20, Calif.

Lester Engineering Co. — Memorandum—First Cleveland Corporation, National City East Sixth Building, Cleveland 14, Ohio.

Magnavox Company — Detailed report—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are reports on **Colgate Palmolive Company, Fibreboard Paper Products,** and **Rap-in-Wax Company.**

Marquette Corp.—Memorandum—Piper, Jaffray & Hopwood, 115 South Seventh Street, Minneapolis 2, Minn.

Mertronics Corp. — Memorandum —Hanson & Hanson, 40 Exchange Place, New York 5, N. Y.

Metalcraft Inc. — Report — V. S. Wickett & Company, Incorporated, 99 Wall Street, New York 5, N. Y.

Mine Safety Appliances — Memorandum — Hancock Securities Corp., 79 Pine St., New York 5, N. Y.

National Distillers and Chemical Corporation — Analysis — Glore, Forgan & Co., 45 Wall Street, New York 5, N. Y.

North American Aviation—Memorandum — Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

North American Coal — Memorandum—John Lamula Investors, Inc., 130 William Street, New York 38, N. Y.

Oil Recovery Corp. — Memorandum—Warner, Jennings, Mandel & Longstreth, 121 South Broad Street, Philadelphia 7, Pa.

Oklahoma Mississippi River Products Line, Inc. — Analysis — H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a bulletin on **Railroad Mergers.**

Orange & Rockland Utilities, Inc. — Memorandum — Stern, Frank, Meyer & Fox, Union Bank Bldg., Los Angeles 14, Calif.

Pacific Finance Corporation—Analysis — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Texaco Inc.** and **Westinghouse Electric Corporation.**

Paddock of California — Study — Manly Markell Associates, Inc., 11 West 42nd Street, New York 36, N. Y.

Pall Corp.—Memorandum—R. W. Pressprich & Co., 48 Wall Street, New York 5, N. Y.

Pembina Pipe Lines — Memorandum—Jackson, McFadyen Securities Limited, 11 Adelaide St., West, Toronto 1, Ont., Canada.

Pioneer Metals Inc. — Report—Hancock Securities Corporation, 79 Pine Street, New York 5, N. Y.

Plough, Inc.—Review—Cooley & Company, 100 Pearl Street, Hartford 4, Conn. Also available in the same review are data on **General Instrument, La Cross Cooler** and **Hydromatics, Inc.**

Potomac Electric Power Co.—Review — Auchincloss, Parker & Redpath, 2 Broadway New York 4, N. Y. Also available is a review of **Yale & Towne Manufacturing Company.**

Precision Transformer — Memorandum—John R. Boland & Co., Inc., 30 Broad Street, New York 4, N. Y.

Radio Corp of America — Review —Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Dana Corporation.**

Red Fish Boat Company—Report —R. A. Holman & Co., Inc., 54 Wall Street, New York 5, N. Y.

Rexall Drug & Chemical Company — Review — Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of **Ventures Ltd.** and **Marquette Corporation.**

San Diego Gas and Electric—Analysis — Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y.

Simplex Paper — Memorandum—J. H. Goddard & Co. Inc., 85 Devonshire Street, Boston 9, Mass.

Spartans Industries — Analysis—Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.

Sperry Rand Corporation—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Spiegel, Inc. — Analysis — Schweickart & Co., 29 Broadway, New York 6, N. Y.

Standard Oil Company (Indiana) —Analysis—Hornblower & Weeks, 40 Wall Street, New York 5, N. Y. Also available is an analysis of **Martin Company.**

Technical Operations, Inc.—Memorandum—Woodcock, Moyer, Fricke & French, Inc., 123 South Broad Street, Philadelphia 9, Pa.

Union Financial Corp. — Memorandum—The Ohio Company, 51 North High Street, Columbus 15, Ohio.

United Greenfield Corporation—Bulletin — Carreau & Company, 115 Broadway, New York 6, N. Y.

U. S. Vitamin & Pharmaceutical Corporation — Bulletin — De Witt Conklin Organization Inc., 120 Broadway, New York 5, N. Y.

Joins Saunders, Stiver

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Ralph E. Shanabruch is now affiliated with Saunders, Stiver & Co., Terminal Tower Building, members of the Midwest Stock Exchange.

Form M. Horowitz Co.

Michael Horowitz and Norman Fischer, both members of the American Stock Exchange, have formed Michael Horowitz & Co. with offices at 19 Rector Street, New York City. Mr. Horowitz has recently been active as an individual floor broker. Mr. Fischer in the past was a partner in Cosgrove, Whitehead & Miller.

Will Britain Abolish "Security Sterling"?

By Paul Einzig

British monetary economist examines the many nuances that probably will determine whether his country will or will not abolish "security sterling." Such a step is designed to encourage foreign investments and would guarantee repatriating of capital proceeds at a rate not below $2.78 compared to a theoretically lower rate for "security sterling." Dr. Einzig comments on the timing of such a move and whether it would, after all, be a wise step.

LONDON, England — In spite of the unfavorable change in the British balance of payments, sterling developed a remarkably firm tendency since the middle of July. There is reason to believe that the gold and dollar reserve has increased perceptibly as a result of official buying of dollars to moderate the rise of sterling. This improved situation has given rise to a wave of optimism manifesting itself in rumors about the Government's alleged intention to relax further the exchange restrictions for the benefit of non-residents.

The possibility of an early abolition of "security sterling" is widely canvassed. It would mean that non-resident holders of British securities would be in a position to repatriate their capital by selling the sterling proceeds of their securities in the ordinary way instead of having to find a buyer who wants to invest it in British securities. In practice, the existing situation is not too inconvenient to overseas investors in British securities, for there is a good market in security sterling and its discount is very slight. But the possibility of a decline in the demand for security sterling at a moment when many holders of British securities want to repatriate their capital cannot be ignored.

The supposed object of the authorities in considering the abolition of security sterling is, in addition to their ideological attitude towards liberalization, to encourage the investment of foreign capital in British securities. It is assumed that if investors have the assurance of being able to repatriate their capital at an officially guaranteed exchange rate without having to depend on the demand for security sterling they will be more inclined to acquire British securities. After the proposed change they would have the definite assurance of being able to sell the sterling proceeds of their securities at a rate not below $2.78, while at present a decline of the rate for security sterling well below that figure is a theoretical possibility.

Would This Be A Wise Step?

There is room, however, for two opinions whether the abolition of security sterling would really inspire confidence abroad. Unfortunately, the basic economic situation in Britain leaves much to be desired, and in the existing circumstances the gesture that implies that we can well afford to liberalize might be looked upon with some doubt. Liberalization should always be proceeded from a position of genuine strength. Its timing on the eve of the late summer and autumn pressure would not be very fortunate. Even though at the moment a sterling crisis does not appear likely, its possibility should not be ignored. Liberalizations should be timed to coincide with the seasonal strength of sterling, not with its seasonal weakness. Possibly the anticipation of a weak dollar in the autumn in connection with the Presidential election may make it appear advisable for Britain to make the change.

But in any case, would it be really so wise to encourage an influx of foreign capital in the form of the acquisition of British securities on overseas account? As it is, foreign funds have been streaming in as a result of the high Bank Rate. It is not a very satisfactory state of affairs to balance our trade deficit with the aid of attracting "hot money." If the authorities were well advised they would discourage such an influx rather than encourage it. Since it is necessary to maintain a high Bank Rate in order to discourage inflation, its effect on the movement of funds could be neutralized by an appropriate forward exchange policy. Instead, the influx of bad money is encouraged by allowing forward sterling to remain overvalued so as to ensure that the transfer of funds to London for interest arbitrage is profitable.

It may be argued that an influx of capital for investment in securities is a less unsatisfactory way of paying for a trade deficit than an influx of short-term bank funds. This argument is, however, unconvincing. Investors are fully as liable to recall their capital as bankers. It is true, once they cease to depend on security sterling they are in a position to hedge against the exchange risk by selling sterling forward. But repatriation may be decided upon irrespective of the view taken about sterling's prospects—if the prospects of the London Stock Exchange come to be viewed with pessimism, or if the prospects of Wall Street come to be viewed with optimism, or if the differential between London and New York equity prices comes to be regarded as being too narrow, or if the capital is needed at home. The more overseas capital is invested in British securities the more vulnerable sterling tends to become, unless the dollar proceeds of the surplus investment are retained in full as an addition to the gold and dollar reserve.

Experience has proved that an increase in the reserve tends to encourage inflationary tendencies. If the increase is due to a large export surplus, as is the case with Germany, then it is right that there should be some degree of inflation in order to correct a disequilibrium responsible for the favorable balance of payments. But if the reserve increases as a result of an influx of short-term or long-term funds, and if it produces its inflationary effects, then the disequilibrium that caused the adverse balance of payments will tend to become aggravated further. The gold will be spent and the international indebtedness will remain. Is it really worthwhile for the British Government to go out of its way to bring about such a result?

D. J. Lorenz With Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

COLUMBUS, Ohio — Daniel J. Lorenz has become associated with Paine, Webber, Jackson & Curtis, Huntington Bank Building. Mr. Lorenz was formerly an officer of Lorenz & Co., Inc.

With Westheimer Co.

CINCINNATI, Ohio — Charles Thomas has joined the sales staff of Westheimer and Company, 326 Walnut Street, members of the New York Stock Exchange.

Near Term Price Picture Of Wholesale Commodities

By Roger W. Babson

Writer sees little pointing to general wholesale price increase in the short-run, barring war and serious crop damage, except where higher wages and transportation costs cannot be absorbed. This does not mean, Mr. Babson continues, that inflation is a "dead duck," particularly if the Democrats win the Presidential election.

Now that fears of further drastic price inflation in the U. S. appear to have temporarily subsided, this is an opportune time to check the overall situation with regard to wholesale commodity prices. I also venture a forecast on the outlook for a few selected groups.

Record of the Indexes

Although commodity prices as a whole are at a relatively high level, it is interesting to note that very little of this price inflation has occurred during the past two or three years. The Bureau of Labor's overall price index recently stood at 119.5, compared with 119.7 a year ago, 119.2 two years ago, and 117.4 in June 1957. Industrial prices also have been fairly stable, the 1960 June average of 128.2 comparing with 128.2 a year ago, 125.3 two years ago, and 125.2 for June 1957. Farm products prices are slightly under the year-ago level.

Despite the overall price stability of the past several years, there have been wide shifts up and down in prices of many individual commodities. I expect such shifts to continue. Hence, it is vitally important to buyers and sellers to study and appraise the supply-demand ratios prevailing, or likely to prevail, in individual items. These ratios will largely determine price action of group members, whichever way the group itself may be moving.

Industrials and Metals

I see nothing in the near-term picture, barring war, that could exert strong upward pressure on prices of industrial commodities. Supplies, for the most part, will easily suffice for requirements in the months ahead. However, allowance must be made for higher wage and transportation costs, not all of which can be absorbed by producers. Under the circumstances, I forecast moderately higher prices for industrial commodities sometime before the year is out.

Outstanding in the metals group is the fact that supplies, in almost all instances, are easily ample for prospective near-term requirements. Thus, a sustained price rise over the immediate future is unlikely. A fall pickup in business and especially automobile production, could increase overall demand for metals; but such an increase may not mature. The steel makers, however, face higher wage costs on Dec. 1, and may have to pass a part of them along.

Farm Products, Cattle and Hogs

Some supply stringency is indicated in a few new-crop canned vegetables, particularly corn and peas. This could mean higher prices. Generally large plantings of feed and food grains last spring point to a sizable total outturn, barring serious crop damage. The new crops, plus generally big carryovers, should exert downward pressure on prices of most farm products over near-term months.

Prices of fed cattle may weaken further, owing to sizable marketings, but should recover moderately later in the summer. With pasture conditions generally good, ranchers are in no hurry to sell feeder cattle; but I forecast rather heavy runs by late summer or early fall, with some price weakness. Hog prices are working up to a summer peak — perhaps around $20 per cwt. The next broad move should be downward, though the fall or early winter low should be above that of a year ago.

More Inflation Ahead?

Despite the overall price stability of the past few years, the issue of further inflation is by no means a dead duck. Should the Democrats win the forthcoming national election, the groundwork for further price inflation will have been laid. If the Republicans should win, inflation might be held in abeyance. In either case, a small Korean-type war would be inflationary.

In conclusion, on the basis of available statistics I see little in the near-term picture pointing to further general price increases. Supplies for the most part are ample, and productive capacity in many instances is excessive. Such conditions are now not conducive to a price spiral in either the metals or farm products. But war or certain sudden deaths could quickly change the outlook.

Transamerica Names Officials

The board of directors of Transamerica Corporation has elected Horace W. Brower to the office of Board Chairman, and named

John R. Beckett

Horace W. Brower

John R. Beckett, well-known San Francisco investment banker, to succeed him as President of the corporation effective Sept. 15.

Mr. Brower will also continue as chief executive officer to which office he was elected in November last year. Mr. Beckett was elected a member of the board to take effect immediately.

Mr. Brower, who has been a member of the board since April, 1958, was named President following the sudden death of the late F. N. Belgrano, Jr. A veteran of more than 38 years of association with Transamerica and its predecessor and subsidiary companies, he is also President of the corporation's largest subsidiary, Occidental Life Insurance Company of California, with headquarters in Los Angeles. He will continue as President of Occidental in which office he has served with outstanding distinction since 1951.

Mr. Beckett, who is Vice-President and a director of the nationwide investment banking firm of Blyth & Co., Inc., is resigning from Blyth & Co., Inc., to accept a new position. He joined Blyth & Co., Inc. in New York in 1944 and was transferred to San Francisco in 1946. He was appointed Vice-President in 1955.

With Hirsch Co.

NEWARK, N. J.—Hirsch & Co., members of the New York Stock Exchange, have announced that Saul Fisch is now associated with their firm as a registered representative in the Newark, New Jersey, office, 11 Commerce St.

Morton & Friend Associates

CLIFTON, N. J. — Morton and Friend Associates has been formed with offices at 232 Dayton Ave. to engage in a securities business. Partners are Richard P. Morton and Herbert S. Friend.

Oppenheimer Wire To West Germany

The inauguration of a leased radio teleprinter circuit between its offices in New York and Frankfurt, West Germany, is announced by the New York Stock Exchange firm of Oppenheimer & Co., 25 Broad Street, New York City. The new service will be in operation seven days a week and is effected by means of a privately subscribed channel which the investment firm has leased from the American Cable & Radio System. AC&R is an associate of International Telephone and Telegraph Corporation.

Short-Term Interest Rates And the Commercial Banks

By Richard A. Westcott, *The First National Bank of Chicago, Ill.*

Chicago banker describes some of the unique factors accounting for the very rapid drop in short-term interest rates since the first of the year. He explains why deposit totals have fallen despite the increase in bank loans; stresses the growing money market importance of the very large corporations; and states how this affects the commercial bank's role in determining money market rates. Author foresees further cuts in rediscount rate combined, perhaps, with actions to increase bank reserves.

The substantial decline in interest rates since January, 1960 particularly short-term rates, has come as something of a surprise to close market observers and non-professionals alike. Many commercial bankers and others have found it very difficult to explain the drop, in view of continuing strong loan demands emanating from most sectors of the economy. As a consequence psychological factors are frequently given credit for playing an important role in the changing investment climate. Particularly, the "liquidation of inflationary psychology" and revised expectations concerning business prospects for the remainder of the year are cited to account for the easing in money rates throughout the economy.

Richard A. Westcott

While investor psychology unquestionably has been in the process of change as inflation fears have receded in the face of a more stable price level, this has hardly been the most significant event in the money and capital markets in recent months. Short-term rates, certainly, would not immediately move lower in response to a lessening in concern over price level prospects, for investors, fearing inflation, would be prone to harbor their funds in near substitutes for money and capital assets rather than committing them for an extended term at a fixed return. Nor has the Federal Reserve's role been quite as active in lowering borrowing costs as has been generally suggested. Instead, it will be shown that market movements of recent months clearly have resulted from the workings of supply and demand, a fact which will come as a disappointment to those who seem to believe that interest rates (the price of borrowed money) somehow are exempt from the interplay of forces which set the price of the bulk of goods and services freely traded in our economy.

"In spite of the decline in rates I am still not certain that money is really easier. After all bank loans, in relation to deposits, are remaining at the highest levels we've seen since the 20's." While such comments as these, oft-repeated in commercial banking circles at the present time, often have a defensive ring to ward off the entreaties of borrowers seeking lower loan rates, they hide more than a grain of fact. And this confusion has served to distort somewhat a clear understanding of money market developments since the first of the year.

Seasonal Pattern

The normal seasonal pattern in commercial bank loan demand is characterized by a decline in loans during the early months of the year as borrowings, incurred in the previous six months to finance the rising pace of business and trade during the fall months and holiday season, are repaid. Thus, over the course of the year loans usually decline through early summer and then begin rising as fall and winter approaches. This seasonal loan pattern is accompanied by a similar movement in demand deposit totals as they are drawn down to repay borrowings and later rebuilt. While this is the normal seasonal movement in loans and deposits, it is quickly submerged by the cyclical swings in business activity which irregularly recur. The period since January has been a point in case, for instead of trending downward, total bank loans have increased by $1.6 billion. While this upward movement has slowed in recent weeks, it resulted from a rapid increase in business inventories during the first quarter, strong consumer credit demands and a steady increase in bank real estate loans. Not as readily explained, however, and of overriding significance to banks and the money market generally, has been the steady drop in demand deposit totals which has also occurred during this same period. With loans expanding one might normally expect demand deposits would also be growing, or at least not declining. However, seasonally adjusted demand deposits have declined $2.4 billion since the first of the year (the unadjusted total having declined $8.3* billion). Thus, we have witnessed falling deposit totals at the same time loans have been increasing, resulting in a steady rise in the ratio of loans to deposits (55.3% on May 25 versus 51.9% on Dec. 30, 1959 with conderably higher ratios in the case of most larger banks). It is hardly surprising, therefore, that banks find it difficult to be convinced the credit picture has changed and that money is "easier."

Loans Up and Deposits Down

In view of the increase in bank loans, why have deposit totals fallen? Apparently at least two reasons exist and both have had a significant impact on interest rates. Since January commercial banks have continued to liquidate holdings of government securities —nearly $3.5 billion have either been sold or allowed to mature, a continuation of the trend in progress throughout most of last year. As these securities have been liquidated they have passed into the hands of other investors-individuals, business corporations and other investment institutions, which have paid for them by drawing down their demand deposits held with commercial banks. During a period of monetary restraint, when the Federal Reserve System is attempting to restrict the amount of credit made available by commercial banks, bank reserves are not permitted to increase (or are increased only through banks borrowing from the Federal Reserve, a step taken with some reluctance). Thus, at such times banks find it possible to increase their loans only by reducing their investment holdings, such reductions serving to offset any increase in deposits which would otherwise occur as loans are expanded.

With this in mind, then, the un-

*Excludes U. S. Government deposits which have increased approximately $2 billion, thus offsetting a part of this decline.

answered question is why the increase in loans thus far in 1960 has been more than offset by a reduction in bank holdings of securities thus leading to a steady decline in deposits. This is explained, in major part, as the result of investors, particularly individuals and large business corporations, actively reducing their idle deposit balances to purchase government securities, the most of which have come indirectly from the portfolios of commercial banks. While current statistics are not available, business firms increased their holdings of government securities by $2.5 billion in 1959, and individuals made even more sizable additions to their holdings. Both trends have undoubtedly continued into the current year.

Money Market and Large Corporations

It may seem a contradiction that business loans have been increasing at the same time companies have been adding to their holdings of government securities; however, it points up the growing money market importance of the very large corporations whose tremendous internal cash flows from depreciation and retained earnings are, much of the time, more than sufficient to finance capital requirements while still permitting the accumulation of sizable holdings of temporary, short-term investments. The higher interest rates of recent years have also encouraged individuals and business firms alike to economize on their idle deposit balances, for when liquid, nearly riskless investments earn for the holder 4% and up the rewards of careful management of funds are quickly grasped. However, once initiated such practices continue as interest rates fall. Even a small recompense is better than none at all. Unquestionably, it has been this continuous accumulation of liquid investments by non-bank investors that has driven interest rates steadily downward in recent months.

The growing demand for short-term investments, particularly government securities, has occurred at the same time the supply has been sizably reduced. Between January and April, owing to a marked improvement in the government's budgetary position, the outstanding marketable public debt has been reduced by $1.7 billion. Outstanding issues maturing in one year os less (the sector of the market where the rate decline has been the most rapid) have declined even more rapidly, by $8.6 billion, this sizable reduction having been offset by an increase of over $6 billion in 2-5-year note issues outstanding. It is hardly surprising that this marked shift in the supply of short-term governments, coming as it does at the same time investors have been continuing to expand their holdings of short-term issues, has resulted in a marked decline in interest rates.

Where Do Commercial Banks Stand?

But where, then, does this leave the commercial banks which play such an important role in determining the level of money market rates? The decline in deposits accompanying the shift of government securities into the hands of non-bank investors has meant that the total of reserves which banks are required to carry with their Federal Reserve banks has also been reduced. Other factors aside, the reserves could have been *re-employed* if banks had further increased their loans or added to their investments (which would have resulted in a re-expansion in deposits). However, this reduction in *required* reserve has afforded commercial banks the means of reducing their borrowings from their Federal Reserve banks. Reported weekly member bank borrowings since Jan. 1st have declined by over $500 million and an additional $700 million in bank reserves have been absorbed as a result of the sale of government securities by the Federal Reserve. On the surface, commercial banks could have continued to borrow reserves (at 4%) in order to increase their loans (and deposit totals). However, with loan/deposit ratios already at high levels banks apparently have been reluctant to do so since it would have meant an even further deterioration in their liquidity. It is also to be presumed that the Federal Reserve has been less than anxious to encourage a rapid expansion in bank loans, perhaps feeling during the early months of the year that business prospects continued uncertain and that the possibility of a rapid expansion in economic activity remained. Otherwise, the decline in required reserves would not have been offset to the extent of $700 million by reductions in Reserve Bank security holdings.

With bank loan/deposit ratios high and rising further, banks, as an alternative, might have seized the opportunity afforded them by a lower level of required reserves (due to the decline in deposits) to rebuild their liquidity positions by purchasing government securities instead of using freed reserves to reduce their borrowings from the Federal Reserve. This has hardly been an attractive prospect, however, with the rediscount rate set at 4% and short-term government securities yielding a lower return in recent months. In addition, of course, the traditional reluctance of banks to borrow steadily has also been at work, encouraging them to apply free reserves first to reducing Reserve Bank borrowings. The slowness with which the rediscount rate was realigned with other short-term rates is perhaps some measure of the Fed's undecidedness concerning the business outlook, for it has been evident for some time that no increase in the money supply could be expected to occur as long as the strain on banks' liquidity positions continued at the very same time short-term interest rates were declining. Even at present, if the Fed were to increase bank reserves (through open market security purchases) it is doubtful whether an immediate expansion in bank loans and investments would follow. For this to occur the rediscount rate would have to be quickly and progressively reduced to encourage a rebuilding of bank liquidity positions. Or banks would need time to adjust to and become comfortable with their higher loan/deposit positions before loans would be increased further. Although, experience has shown there is no maximum level of loans in relation to deposits, upward adjustments from previously high levels take time.

Summary

In summary, then, one is led to the conclusion that the rapid decline in interest rates since the first of the year has been the result of a significant increase in funds seeking short-term investment at the same time the supply of short-term investment media was being reduced (particularly short-term government issues). This market shift, we have seen, was not contributed to by the commercial banking system, making the events of recent months somewhat unique. During past periods of rapidly declining interest rates, a sizable expansion of commercial bank investment holdings and a rising level of demand deposits) has served to propel interest rates downward. The current situation finds commercial banks in a rather peculiar position, for with loans continuing at high levels, deposits declining and short-term money market rates trending downward, banks are being hard pressed to adjust to all of the pressures upon them. A further increase in loans will inevitably lead to a deterioration in liquidity while attempts to rebuild liquidity meet head-on with a rediscount rate that is higher than other money-market rates, making it advisable further to reduce borrowings from the Fed rather than increase short-term investment holdings. Under these circumstances a good likelihood exists that additional steps may be taken to ease the pinch being felt by the banks. These may take the form of further cuts in the rediscount rate combined, perhaps, with actions to increase bank reserves. Nor are such prospects entirely dependent upon the future course of business activity (except, of course, should an inflationary boom develop which, at the present time, few are predicting) for an increase in bank credit and deposits probably will be necessary if business is to continue prosperous. It should be pointed out, however, that to the extent holders of demand deposits economize on their idle balances (which more and more are doing) by seeking to invest them temporarily, they will be supplanting the role of commercial banks by supplying credit to short-term borrowers. That this has been happening is evidenced by the steadily rising rate of turnover in demand deposits, as idle funds are transferred temporarily (through the mechanism of a well organized money market) to borrowers who put them to active use.

New Josephthal Branch

A new branch office—believed to be the first to be located in New York City's famed "Silk Stocking" District—has been opened by Josephthal & Co., members of the New York Stock Exchange.

Situated at the corner of 68th St. and Third Ave. as part of Imperial House, a luxury residential apartment building, the New Josephthal office represents the sixth branch office for the 50-year old brokerage firm.

The new office will be manned by nine registered representatives. Richard Graham is manager and Robert Arnel is assistant manager.

How Commercial Banks Can Cash In on Modern Research

By B. A. Warner,* *Vice-President, Manufacturers Trust Co. New York City*

A primer on what banks can and should do to utilize research and public relations to improve their competitive position is furnished by New York banker who speaks from experience. Mr. Warner relates lower average returns of banking, compared to industry, to backwardness—until recently—in engaging in research which is now being rectified with happier discernable results. He admits the higher interest rates provided by S. & L. Associations is a disadvantage, but avers commercial banks' other advantages can offset this lure in attracting savings.

Historians have referred to the Eighteenth Century as "the age of reason" and, in retrospect, it seems almost undeniable that it was. Although it is sometimes difficult to judge any period of history at the time the events which shape it are happening, nevertheless some contemporary historians have expressed the opinion that our time, the Twentieth Century, will be known to future generations as "the age of research." While superficially the destiny of the world is shaped and controlled from time to time by wars and dipomacy at the political level, the real causes are usually less easy to perceive.

Bradford A. Warner

For example, underlying the victory of the forces of freedom in World War II was a broad and deep foundation of research, which had more to do with the final result than the spectacular exploits of the Armed Forces. Had it not been for unlimited research over a long period of time backed by unlimited funds, there would have been no Atomic Bomb and the war could have lasted two or three years longer at a cost of millions of lives and billions of dollars worth of property. Similarly it was the quiet and carefully guarded work of what might be called "heroes without guns" that solved the Japanese armed forces code and enabled us to intercept messages and learn exactly where their naval forces were and would be at any time we wanted to know. At one time, in 1943, when the ultimate outcome of the war was by no means a certainty and there was serious shortage of high octane aviation fuel, the fruits of years of research by the petroleum industry came to our rescue in the form of an entirely new method of refining or "cracking" crude oil in order to produce much larger quantities of the desired type of gasoline.

In the 15 years since the war ended the research activities of various industries have been growing in almost geometrical progression. To illustrate, a few of the outstanding examples might be mentioned. It is well known that the Bell Telephone System spends many million dollars a year for research in both pure and applied sciences. Last year, according to the Annual Report, the amount was $35 million. A rugged and forceful industrialist of the Nineteenth Century would have called most of today's research activities a waste of time and money, but among the results of scientific research at the Bell Telephone System, the transistor was developed and it is well known that this tiny instrument has revolutionized the entire field of electronics and communication, including the growing and already important field of data processing. In brief, had there been no research, there would have been no transistor.

In the field of chemistry and medicine the results of research have been even more spectacular. The term "miracle drug" has become a part of the vocabulary of practically everyone. It has been estimated that at least 70% of prescriptions written today call for medicines which were not in existence 10 years ago. The number of lives which have been prolonged and the number of illnesses which have been cured by these products is almost incalculable. One could continue indefinitely talking of the articles and products which are commonplaces of today's living but which simply did not exist 30 years ago. These things are the end products, the fruits if you please, of organized research. One can only conjecture how few, if any, would be in existence today if we had waited for them to be originated by solitary inventors working in homemade laboratories in basements or barns, which was the way many of the discoveries and inventions of the Nineteenth Century came about.

Not alone in the realm of physical science has research been growing in almost geometrical progression. One can discern the same pattern developing in the sociological sciences—that is, the techniques of dealing with human beings and the satisfaction of their wants. This is often referred to as "market research" and sometimes "motivational research." Regardless of name, its basic purpose is very much the same, namely, find out what people like, what they dislike, what causes them to act in certain ways and not in other ways, and to determine what people think about various businesses and the units which comprise them. "As a man thinketh in his heart, so is he," is just as true today as it was 2,000 years ago. If we know what people really think of us and why, we have won half the battle to gain their good will.

Cites Airplane-Rail Example

To mention some examples in this area of research, one might recall that not many years ago the public relations of commercial airlines were really in a bad way—so poor in fact, that they provided a topic for a comprehensive article in a well known national magazine. Then the airlines began to do some research into the attitudes and opinions of the public and found out what was wrong. That is one reason why they have been able to take such a large share of the long haul passenger business from the railroads. The railroads in my part of the country are notoriously backward in their public relations as far as passengers are concerned. To the outside observer it appears that their managements would be very happy if they could get out of the passenger business entirely. I am glad to add that I understand the western railroads have been taking a much more enlightened and progressive attitude towards their passengers.

Years ago the automobile companies were right up in the front ranks of industry in their research to determine just what the public wanted or needed in the way of improvements to their product. In recent years, however, they seem to have slipped back a bit, for otherwise the small foreign cars would not have been able to take over such a large share of their market in the last three years or so. Belatedly, they have recognized that a substantial segment of the public wanted compact cars and they have had to invest millions of dollars in new equipment to build them. Now that they are facing the facts, they must also face the continued competition of the small foreign car, which would not be troubling them today had they anticipated the changing needs and wishes of the public.

In comparison with industry, banking is a very late arrival on the research scene. Perhaps that may be one reason among many why the average return on capital invested in banking is so materially less than it is in industry, with the exception of the depressed textile field. It must be recognized, however, that banking, under the conditions that have existed in the past 20 years, has been, in a manner of speaking, one of the "safe havens" for capital and that fact must be taken into consideration. Nevertheless, it must not be forgotten that only a few years ago the stocks of most New York banks were quoted in the open market at less than their book values, thus giving rise to the facetious comment that banks were "worth more dead than alive."

During the last five years, however, banking has enthusiastically jumped on the band wagon and is engaging in research to a gratifying extent at both the industry-wide and individual bank levels. In colloquial language, one might say that banking is showing signs of waking up. And it is none too early. Although banks have been widely known as the champions of our system of free enterprise and free competition, all too many of them have been acting as though competition did not exist. Let us now try to document these assertions.

Within the last three years the Association of Reserve City Bankers has sponsored a comprehensive and highly significant research project which has yielded some rather distubing conclusions. First of all, the share of the commercial banking system in the total assets of all financial organizations was found to have declined from 56% in 1900 to 44% in 1929 and 31% in 1956. While it is true that a portion of this decline represented financial business which banks couldn't or for other reasons did not wish to handle, such as insurance, there was nevertheless a significant downward trend in the proportionate share of commercial banks in the total of short term loans to business, holdings of farm mortgages, residential mortgages, and savings deposits. The tremendous expansion in our entire financial system since 1900—total assets of which have grown to more than 38 times the total at the beginning of the period—has carried the commercial banks along with the tide and thereby has obscured the fact that our growth has been much slower than that of our non-banking competitors and indeed, only a little over half as rapid as the growth of the entire financial system. To put it a bit more simply, we now have a smaller slice of a larger pie.

Another significant conclusion of this research project was that about half of the people comprising the sample thought that a commercial bank was simply a business man's bank and only a minority were able to give a reasonably accurate identification of what we, perhaps erroneously, call commercial banks. There is a great deal of confusion in the public mind between banks, mutual savings banks and savings and loan associations. In the mind of John Q. Public, excepting an informed minority, all are just "banks".

Banks' Public Relations' Program

One of the important consequences of this research was the formation of the Foundation for Commercial Banks, a non-profit organization which has been conducting a national education campaign through advertising in magazines having wide circulation throughout the nation to create a new name for our institutions—"full service banks"—and to explain what we can do for people and why it is to their advantage to do business with us rather than with certain types of competing institutions.

Those in the savings and loan field have been years ahead of us in promoting their own cause, and the results in cold statistics show that their efforts have paid off handsomely. In the fourteen year period from 1945 to 1959, savings entrusted to savings and loan associations have increased 642%, while the volume of their outstanding mortgage loans has increased some 900%. If any one has doubts that savings and loan associations are attracting savings business which might have gone to banks, just compare results for the past fourteen or fifteen years.

The Answer to S. & L. Assns.' Higher Interest Rates

It is easy to say that this development has been beyond our control because savings and loan associations are not bound by certain legal restrictions which apply to banks and they are therefore able to pay higher rates of interest than we are. This is true, as far as it goes, but there are other advantages to depositing one's savings in a bank which may, to a degree, offset the lure of higher interest rates. One of these is the fact that a bank, fortunately, can render a wider variety of services under the same roof than can a savings and loan association. This is important to some people, but the question arises, how many of them know what a "full service bank" can really do to help them? If we are not telling them, then we are not "cashing in" on the valuable information which research has made available to us. We can satisfy virtually all financial needs of both business and the individual, with the exception of insurance, and in some parts of the country, I understand that banks may legally enter this also as brokers or agents.

The fact that our banks still have the exclusive right to carry checking accounts should help to give us the "inside track" if we exploit this advantage as much as we can. Through the use of the term "full service bank" we can convince the public that we are really "department stores of finance" where the customer may not only have a checking account but also a savings account, a personal loan, a safe-deposit box, a mortgage loan, and if he is a business man, a commercial loan, or if not, a loan secured by acceptable collateral. Industry-wide research in banking has given us the tools to work with, if only we will use them properly.

Not only at the national level, but also at the state level, has banking been conducting research. I know, for example, that the Kansas Bankers Association has been outstanding among state organizations in its research activities, not only in the area of marketing but also in the area of operations. I am sure that if the member banks of that Association have utilized the mass of information collected by cooperative re-

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The Outlook for the Slowed Down Demand for Crude Oil

By Minor S. Jameson, Jr.,* *Executive Vice-President, Independent Oil Association of America*

Independent oil industry spokesmen anticipate small increase in domestic and imported crude oil, as compared to the relatively leveled total market from 1956 to 1960. This, of course, is based on assumptions indicated by the writer who explains the significance of and the reason for changes in crude oil demand. Shown, also, is the diverse reaction to this state of affairs by oil producing states and the serious problem of adjusting conservations, imports and industry operations to the slowed rate of growth for crude oil.

Through the Interstate Oil Compact and conservations programs of the producing states, great progress has been made in reducing waste and improving the recovery of oil and gas. These advances in conservation have been furthered by an increasing knowledge of the technological and economic factors affecting petroleum supply.


Minor S. Jameson, Jr.

The demand for crude oil is one of the important factors related to conservation. During the past five years, a highly significant change has taken place in the trend of total U. S. crude oil demand, with a correspondingly significant effect on conservative activities.

During the 10 year period immediately following World War II, the total demand for crude oil in the United States, to produce petroleum products required for domestic consumption and export, were needed to meet expanding demands for petroleum products. However, since 1956 there has been no increase in the total demand for crude oil. The total market for domestic and imported crude oil in 1959 and again in 1960 is the same as in 1956. The significance of this change in the trend of total crude oil demand, I suggest, has not been fully appreciated.

State conservation programs, as well as industry operation, have been geared historically to a steadily increasing demand for crude oil. Exploration development and production activities have been based on supplying a growing market. But, the year 1960 will be the fifth consecutive year when the total requirement for domestic and imported crude oil will average approximately 8,000,000 barrels daily. No like situation has confronted state conservation agencies and the industry in the past quarter of a century.

Slowed-Down Oil Demand

Two questions arise. What factors are responsible for the levelling-off in the total demand for crude? And, what may be expected in the future?

From 1946 through 1956, total U. S. petroleum demand (domestic consumption of petroleum products and exports) increased each year by an average of 390,000 barrels per day. In contrast, from 1956 through 1960, the increase in domestic and export demands averaged only 180,000 barrels per day per year. The annual growth in total petroleum demand, therefore, was cut in half and reduced by more than 200,000 barrels daily. Obviously, this slackening in oil consumption has been the major factor in changing the trend of demand for crude oil.

To the best of my knowledge, no satisfactory evidence is available to explain fully the causes of the slow-down in oil consumption. Various considerations are involved such as the trend of overall U. S. energy consumption which, it is interesting to note, has also failed to increase since 1956 as rapidly as in the past. In any event, it is a fact that the increase in total petroleum demand since 1956 has averaged less than 200,000 barrels per day per year as compared with close to 400,000 barrels daily each year in the preceding 10 year period.

Recognizing the impact of a slackening rate of growth in oil consumption on the demand for crude oil, the question remains as to why there has been no increase in crude oil demand since 1956 when total petroleum demand was increasing on the average by 180,000 barrels per day each year. The following facts are pertinent:

(1) If there had been no change in inventories of refined products from 1956 through 1960, the total demand for crude oil would have increased by an average of 75,000 barrels per day per year. Instead, unnecessary additions to inventories were made in 1956 and 1957 which had the effect of reducing the demand for crude oil since 1957.

(2) If U. S. refineries had not "upgraded" crude oil to produce less residual fuel oil and more lighter products (accompanied by increased imports of residual fuel oil), the total demand for crude would have increased by an average of at least 55,000 barrels per day per year. In other words, part of the increase in demand for gasoline, light fuel oil and other products has been met by making more of these products from the same amount of crude oil.

(3) If there had been no increase in domestic production of natural gas liquids, the total demand for crude would have increased by an average of 25,000 barrels per day per year.

(4) If imports of unfinished oils and finished products other than residual fuel had not increased, the total demand for crude oil would have increased by another 25,000 barrels per day per year.

To summarize, the maladjustment of inventories, the upgrading of crude oil, the increase in output of natural gas liquids, and the increase in imports of products other than residual fuel oil resulted in a static total demand for crude oil from 1956 through 1960 while oil consumption was increasing on the average by 180,000 barrels daily per year.

Diverse States' Reaction

Keeping in mind the fact that there has been no increase in the total demand for crude oil since 1956, data on "U. S. Crude Oil Production and Crude Oil Imports" show that various changes have taken place (see table).

Crude oil production in nine States increased by 570,000 barrels per day from 1956 to 1960 and crude oil imports increased by 65,000 barrels daily. With no change in total demand for crude oil, total supply during the first six months of 1960 was approximately the same as in 1956. Increases, therefore, were offset by decreased production in other states, with four States accounting for most of the reduced output. There is an obvious and important difference between sharing a growing market and attempting to grow in a static market.

Outlook for Crude Oil Demand

The above brief analysis of factors that have affected the demand for crude oil provides a basis for commenting on the outlook for the future. A number of general conclusions are indicated:

(1) U. S. oil consumption will continue to increase. It is likely that the rate of increase will be less than during the pre-1956 period but greater than during the 1956-1960 period. For example, during the coming five years, oil consumption may be expected to increase by about 3% per year.

(2) Upgrading of crude oil at refineries and increased production of natural gas liquids will continue to supply part of the increase in the consumption of petroleum products.

(3) Assuming that there will be no significant changes in inventories and that imports of unfinished oils and products other than residual fuel oil do not increase under the mandatory import program, these two factors will not operate to reduce the demand for crude oil as was the case in the 1956-1960 period.

(4) Based on these considerations, total demand for crude oil which has been static from 1956 through 1960, will increase over the next five years but the increase is likely to average in the range of 150,000 barrels daily per year or approximately half the growth that occurred prior to 1956. Clearly, this is a relatively small increase in the total market for domestic and imported crude oil.

This outlook poses the serious problem of adjusting conservation activities, import controls and industry operations to a more moderate rate of growth in the total demand for crude oil.

	1956 1000 B/D	1960 (1st. 6 Mos.) 1000 B/D	Increase or Decrease 1960 versus 1956 1000 B/D	Percent
Crude Oil Production:				
In 9 States*	1,655	2,225	570	34.4%
In 4 States‡	4,915	4,270	—645	—13.1
In all other States	585	550	— 35	— 6.0
Crude Oil Imports	935	1,000	— 65	7.0
Total Crude Oil Supply	8,090	8,045	— 45	— 0.6

*Includes the states in which crude oil production has increased by 10,000 barrels daily or more since 1956: Kentucky, Louisiana, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Utah and Wyoming. ‡California, Kansas, Oklahoma and Texas.

*An address by Mr. Jameson before the Interstate Oil Compact Commission in Detroit, Mich.

Rasch With Bache

Stanley A. Rasch is now associated with the investment firm of Bache & Co., 36 Wall St., New York City, as assistant director of training, it has been announced.

Mr. Rasch was previously associated with the Stromberg-Carlson Division of General Dynamics Corp. since 1957 as senior specialist in training and management development. Prior to 1957, he was industrial relations representative in the management development department of The Federal Division of International Telephone & Telegraph Corp.

V. M. Manning & Co.

GREENVILLE, S. C.—V. M. Manning & Co., Inc. has been formed with offices in the South Carolina National Bank Building to continue the investment business of Vivian M. Manning. Officers are Malcolm M. Manning, President and Treasurer; William K. Stephenson, Vice-President; and Mrs. Mary C. Harrell, Secretary.

Form Major Planning

EAST MEADOW, N. Y. — Major Planning Corporation has been formed with offices at 121 Bellmore Road to engage in a securities business. Officers are Arthur Harris, President and Treasurer, and Helene Harris, Vice-President and Secretary.

With Westheimer Co.

(Special to THE FINANCIAL CHRONICLE)

HAMILTON, Ohio — Sylvester G. Shetter has been added to the staff of Westheimer and Co., First National Bank Building.

Now With May & Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Laurence H. Lau is now with May & Co., Inc., 618 Southwest Yamhill Street, members of the Pacific Coast Stock Exchange. He was formerly with E. F. Hinkle & Co., Inc.

Two With Foster, Marshall

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore.—Ray J. Oreste and James W. Perkins have joined the staff of Foster & Marshall, Southwest Sixth Avenue at Oak Street.

Thomson, McKinnon Brch.

NEWNAN, Ga. — Thomson & McKinnon has opened a branch office at 21 Spring Street under the direction of Gilbert T. Kaap.

M. J. Bogan Opens

SPRINGFIELD, N. J.—Michael J. Bogan, Jr. is conducting a securities business from offices at 90 Battle Hill Avenue under the firm name of M. J. Bogan, Jr. & Co. Mr. Bogan was formerly with Berry & Co. and Eisele & King, Libaire, Stout & Co.

Form Coral Corp.

NEWTON, Conn.—Coral Corporation, 6 Queen Street, is engaging in a securities business. Officers are Allen M. Sperry, President; Corydon S. Sperry, Vice-President, Treasurer and Secretary.

Chang Cheng Opens

FOREST HILLS, N. Y.—Chang C. Cheng is engaging in a securities business from offices at 110-18 68th Avenue.

Ferguson Opens Office

Dover, Del.—John D. Ferguson is engaging in a securities business from offices at 1402 Mitchell Road.

Commercial Banking Must Become Progressive Banking

By Ray M. Gidney,* *Comptroller of the Currency, Department of the Treasury, Washington, D. C.*

Current banking developments ranging from the extent of branch banking today to the recently adopted law simplifying mergers and consolidations of insured banks are reviewed by Mr. Gidney. Bankers are reminded that in the past 10 years commercial bankings' asset percentage increase lagged much behind that of rival financial institutions, and those bankers who have severely limited the interest rate they pay on savings accounts are chastised. Mr. Gidney heartedly endorses progressive steps taken by banks and supervisors, so long as they are sound and legal, and warns banking progress cannot be geared to the least progressive states or banks.

My subject is "Progressive Banking." The subject is not new but is ever changing and it is important that we check over our activities individually and collectively to make certain that we really are making the progress we should in banking operations and in bank legislation and supervision.

Ray M. Gidney

Speaking for the National Banking System, our Annual Report will be issued soon and will reflect good growth during the past year. National banks gained slightly in their relative asset position to 46.9% of the banking assets in the commercial and savings banks of the nation and to 54.3% of the commercial banking assets. An important factor in this increase in relative assets was the absorption by the national system through consolidations, mergers, takeovers, and conversions of 48 state banks, while through like methods, 29 national banks went into the state systems. The net movement to the national system was $877.8 million of assets.

At the end of the year 1959 the number of banks and branches in the respective systems were as shown in Table I.

All commercial banking assets increased $5.3 billion in 1959, very close to the $5.4 billion gain of 1957, but only about one-third of the $16.1 billion gained in 1958 and much below the average growth of $8.7 billion for the past 10 years. In the 10 year period, Dec. 31, 1949-1959, commercial banks grew at a much slower pace than mutual savings banks, savings and loan associations, and Federal and state chartered credit unions as shown by the data in Table II.

Urges Banks to Offer Higher Interest

It is good to report that our banks, State and National, are in good to excellent position, with relatively few exceptions. Clearly banks have been developing on sound lines and performing great public service, but the comparative figures I have quoted as to their rate of growth suggest that they must do more to develop sound and effective methods for maintaining and improving their position in our financial picture. In many cases they have not been doing the best that is within their power. How many banks do you know which have severely limited the rate of interest they have offered on time and savings deposits and this in the recent period of firm interest rates? I know a good many. They should consider their position in this regard very carefully lest it appear that they do not really want savings deposits.

A great deal has been and is being done along the line of making banking facilities more readily available to the public. For example, we may cite the continuous and substantial improvement in banking premises and the growth in the number of banking offices. In some states the increase in banking offices has come with the establishment of new banks, while in many states it has come largely through establishment of branches. As shown in the Table I quoted above, on Dec. 31, 1959, 4,549 banks supervised by the Comptroller of the Currency had 4,798 branches; 8,917 state banks had 4,694 branches; and 518 mutual savings banks had 447 branches; a total of 13,984 head offices and 9,939 branches, or a total number of banking offices of 23,923. As of today's date this number has doubtless reached and passed the round figure of 24,000. It is obvious that important progress is being made in providing adequate banking offices.

There has been an important movement to enact state laws to authorize limited types of branches referred to as tellers' windows, facilities, parking lot offices, and other equivalent titles. These have been designed to permit banks in states whose laws do not authorize regular branches to establish facilities which will make it easier for their customers to reach them. It is a development which is proving very helpful.

Extent of Branch Banking

Our present information indicates that 19 states (1) permit statewide branch banking, 23 states (2) permit branch banking within limited areas and in many cases with limitations as to operations and powers, seven states (3) prohibit branch banking, and two states (4) have no laws relative to branches. I am not giving these figures with the purpose of advocating changes in the branch banking laws of any state because Congress has provided that in approving branches, our office must follow state laws where applicable. Here is a brief review of the branch situation as it now stands:

(1) Laws permit branch banking

Alaska	Maryland
Arizona	Nevada
California	North Carolina
Connecticut	Oregon
Delaware	Rhode Island
Dist. of Columbia	South Carolina
Hawaii	Utah
Idaho	Vermont
Louisiana	Washington
Maine	

(2) Laws permit branch banking within limited areas and with limited operations and powers in states marked*

Alabama	New Jersey
Arkansas*	New Mexico
Georgia	New York
Indiana	North Dakota*
Iowa*	Ohio
Kansas*	Oklahoma*
Kentucky	Pennsylvania
Massachusetts	South Dakota
Michigan	Tennessee
Mississippi	Virginia
Missouri*	Wisconsin
Nebraska*	

(3) Branch banking prohibited

Colorado	Montana
Florida	Texas
Illinois	West Virginia
Minnesota	

(4) Have no laws

New Hampshire	Wyoming

On Chartering a National Bank

In the matter of organizing new banks, our office pursues a constructive course. In 1959, 23 newly chartered national banks opened for business and one was chartered and began business early in 1960. My information is that in the same period 99 state banks were chartered and commenced business. In considering applications for national charters we make very extensive investigations as to proposed management, ownership, capital, prospective earnings, convenience and needs of the community and obtain recommendations from the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation. In the course of our investigations we inform neighboring banks of the proposed new charter and afford full opportunity for presentation to and consideration by us of protests or comments which may be made relative to the proposed organization.

TABLE I

Recapitulation

	Number	Branches	—(In millions of dollars)— Total Assets	Increase for 1959
National banks	4,549	4,798	$133,325	$3,821
State commercial banks	8,917	4,694	112,090	1,493
Mutual savings banks	518	447	38,943	1,164
Head offices	13,984	9,939	$284,358	$6,478
Branches	9,939			
Total banking offices	23,923			

TABLE II

Financial Institutions

	Total Assets (In millions of dollars) 1949	—Dec. 31— 1959	Percnt of Increase
Commercial banks	$158,550	$245,415	54.7
Mutual savings banks	21,493	38,943	81.1
Savings and loan associations	14,622	63,472	334.1
Fed. & State chartered credit unions	827	*4,347	425.6

*As of December 31, 1958.

Under present day circumstances we consider it necessary to require substantial capital for each bank, partly because of the high cost of providing banking quarters and also because of the necessity of providing good capital protection while the bank is in its early stages and after it begins to attain substantial deposit growth. We are disinclined to charter a new bank in a town where the existing bank or banks have a relatively moderate volume of deposits and we consider it necessary to proceed with care even in places where existing banks have substantial assets. In the matter of new banks as well as branches, our position is that we should give authorization where there is good opportunity for the successful operation of the bank or branch and where over-banking or excessive competition will not result. We are devoted, above all, to the task of helping to build and maintain a healthy banking system.

New Credit Developments

To return to the matter of new forms of service we have been much interested to note developments in the field of credit granting such as the so-called check credit type of revolving loan, the charge account credits, arrangements whereby employees in plants and offices can work together cooperatively with their employer to obtain the benefits of various banking services, methods of making available to the public money orders drawn on banks, and many other services. It is essential, of course, that the plans adopted shall not be inconsistent with applicable laws and careful consideration must be given to making each plan sound and legal. Each step should be tested and worked out to the best advantage. We believe that this should be done with a definitely progressive attitude on the part of banks. Bank supervisors should also be progressive and should assist their banks in moving ahead in methods. If our banking progress were to be limited to that of the least progressive element among our banks or supervisors, it might be very slow indeed. We need the stimulus of active minded and forward looking individuals and organizations. We need to develop better and better methods.

These problems offer a great challenge to State Bankers Associations and to their professional staffs to carry on the great work they have done through the years and to take an even more important part in banking developments. I would like to say that from my point of view we have profited greatly from the visits of representative bankers to Washington and we would like to have them come more often and stay longer. We could thus spend more time discussing mutual problems and obtain fuller knowledge of what is going on so that we can all work together for improvement. Obviously, the state bank supervisors have the same interest that we have in this field, and we welcome close contacts with them. We have enjoyed working with Commissioner of Banks Irving C. Rasmussen, President of the National Association of Supervisors of State Banks, and have discussed matters of common interest with him on several occasions. We look forward to working with him in every possible way.

Important Bank Legislation

Now I should like to comment on Federal legislative matters. Very important amendments were enacted in 1959 bringing the National Bank Act up to date and with many important changes. It was a real accomplishment. So also was the enactment of the so-called "Vault Cash Bill" giving the Board of Governors of the Federal Reserve System authority to permit vault cash to count as part of legal reserves. We are hopeful that the present Congress will pass the Federal Deposit Insurance bill H.R. 8916 to simplify the methods prescribed for computing the base for F.D.I.C. assessments and increasing by about 11% the amount of the annual refund on insurance premium payments. The bill is very important to insured banks and should receive active support. It is now making good progress but needs your support to bring about enactment.

A most important bill titled "An Act to amend the Federal Deposit Insurance Act to require Federal approval for mergers and consolidations of insured banks," known as S. 1062, passed the House on April 4, 1960, passed the Senate on May 6th, and was signed by the President on May 13th. It places final authority over bank merger transactions of insured banks in the three Federal bank supervisory agencies. It specifies that the Federal agency considering a merger shall consider the financial history and condition of each of the banks involved, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community to be served, and whether or not its corporate pow-

ers are consistent with the purposes of the Federal Deposit Insurance Act. It also provides that the appropriate agency shall also take into consideraation the effect of the transaction on competition (including any tendency toward monopoly) and shall not approve the transaction unless, after considering all of such factors, it finds the transaction to be in the public interest. Each agency will be required to request a report on the competitive factors involved from the Attorney General and the other two banking agencies. Notice of merger must be published for 30 days. The requirements for consultation and notice may be waived in cases involving probable failure of one of the banks.

It is my view that the bill with the explanatory material developed during its consideration by Congress provides clear procedures relative to bank mergers. Those charged with passing upon mergers should now be able to proceed with confidence and understanding and to act in a manner conducive to the healthy development of our banking system. All bank supervisors have common interests in the application of the bill and we hope it will work out to the satisfaction of all.

Great praise for the 1959 Congressional enactments and those of 1960 which I have just mentioned is due to the Chairman of the Senate Committee on Banking and Currency, Honorable A. Willis Robertson of Virginia, Senator Homer Capehart of Indiana, Senator J. W. Fulbright of Arkansas, Senator J. Allen Frear, Jr., of Delaware, Senator Prescott Bush of Connecticut, Senator Wallace Bennett of Utah, and other members of the Senate Committee on Banking and Currency; also to Honorable Brent Spence of Kentucky, Chairman of the House Committee on Banking and Currency; to Honorable Paul Brown of Georgia, Chairman of Subcommittee No. 2 of the House Committee on Banking and Currency, to Congressman Abraham J. Multer of New York, to Congressman Clarence Kilburn of New York, Congressman Edgar W. Hiestand of California, and Congressman Joseph W. Barr of Indiana.

In commenting on the bill just before final action by the Senate, Senator Lyndon Johnson of Texas said:

"The action of the Senate in approving the House amendments to S. 1062, and sending the bill on to the President for his approval, is an event which deserves comment. The Congress, the Senate, the Senate Banking and Currency Committee, its chairman, Senator Robertson, and its former chairmen, Senator Fulbright and Senator Capehart, all should be congratulated and complimented for this significant piece of legislation.

"This bill establishes uniform and clear standards, including both banking and competitive factors, for the consideration of proposed bank mergers. It eliminates a number of gaps in the statutory framework, which now permit many bank mergers to occur with no review by any Federal agency. It provides for a thorough review by the appropriate Federal bank supervisory agency, under these comprehensive standards, and with the benefit of any information which may be supplied by the Department of Justice in the report required from them, of the bank mergers by asset acquisitions and other means which are now and will continue to be exempt from the antimerger provisions of section 7 of the Clayton Antitrust Act.

"It has been a slow and arduous task to bring this legislation to this present stage. In the 84th Congress, in 1956, Senator Fulbright introduced S. 3911. This passed the Senate, but it died in the House. In the 85th Congress, in 1957, Senator Robertson introduced a comparable provision as part of his major financial institutions bill, S. 1451. This passed the Senate, but again the bill died in the House. S. 1062 was introduced in the 86th Congress, in 1959, by Senator Robertson on behalf of himself and Senators Fulbright and Capehart. This was amended by the Senate Banking and Currency Committee. It was passed by the Senate with a further amendment on May 14, 1959, almost a year ago. This time the House did not allow it to die. After holding hearings and after further amending the bill, the House, on April 4, of this year finally passed the Senate bill. And the Senate has now accepted the House amendments, which clarify but do not change the substance of the Senate bill.

"This long process tries the temper of those who must suffer under it. But in my judgment the repeated improvements in S. 1062, in the course of this slow process, show the real merits, the real benefits, of the legislative process at its best.

"Again, I want to express my congratulations to Senator Robertson and Senator Fulbright, and Senator Capehart and the other members of the Banking and Currency Committee for the persistence and the thoroughness and the statesmanship which they have displayed in carrying this matter through to a satisfactory conclusion."

The proceedings on the important bills I have mentioned clearly indicate reasons why progressive bankers have a great interest in matters of legislation. They should seek to improve their methods of familiarizing themselves with pending and prospective measures so that they may have a thorough and sound understanding of what is in the legislative program and bring their conclusions to the attention of their Federal and State legislative representatives. Mr. M. Monroe Kimbrel, Chairman of the American Bankers Association Committee on Federal Legislation, in speaking before the American Institute of Banking at its Annual Convention in Boston recently, gave a very good comment on the desirability of bankers interesting themselves in Federal legislation. He said:

"One of the realities we have to reckon with is that most banking bills do not rate very high on the public appeal chart. They usually entail technicalities which are difficult to explain, much less dramatize. Frequently, they are of prime interest only to banking itself, which is a relatively unimportant group numerically. It follows that we must earn through the quality and objectiveness of our approach to Congress what other groups may be granted by virtue of their numbers or the popular appeal of their specialty."

We hear many expressions of views as to what the decade of the Sixties will bring. That will depend in important measure upon what we all contribute to the progress and betterment of our banking system. It is a cause worthy of our best efforts and we must work together. I know that bankers will do their part.

*From a talk by Mr. Gidney before the 70th Annual Convention of the Minnesota Bankers Association, Minneapolis, Minn., June 7, 1960.

With Richard Kohn

NEWARK, N. J. — Milton Weinberg has become associated with Richard E. Kohn & Co., 20 Clinton Street, members of the New York Stock Exchange, as a customers' representative. He was formerly with Walston & Co., East Orange, and before that was for many years in the wholesale fruit and produce business.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The strong demand for Government obligations is being reflected in improved prices for all fixed income bearing securities because funds are being invested in these issues in enlarging amounts. It is evident that the uncertain economic scene is responsible for the shift into bonds from equities. The defensive tone in common stocks has been a favorable factor for the bond market. The Treasury, by offering only $9,000,000,000 of new securities for cash and retiring $10,400,000,000 of obligations that come due next month, will cut the Federal Debt by $600,000,000.

The impending operation of the Treasury has been a leading force in the money and capital markets with the opinions very strong that a bond, that is an obligation with a maturity of more than five years, will be the glamour issue of this venture. In addition, there is quite likely to be offerings as part of the basket deal which will meet the needs of the Federal Reserve Banks, the principal owners of the 4¾s that come due the middle of August.

Refunding Terms Available Today

The anonuncement by the Treasury as to how it will provide for the refunding of $9,561,000,000 of 4¾s which fall due on Aug. 15th, and $800,000,000 of Federal National Mortgage Associations 3⅝s maturing Aug. 23rd, will most likely be made known today (July 28). It is evident that the money and capital markets are in excellent shape and the Federal Government should be able to supply refunding issues which will appeal to the owners of the maturing obligations. The largest holders of the Aug. 15th maturity are the Federal Reserve Banks and Government accounts, and ordinarily the Central Banks are interested only in securities with a near-term due date, usually in the certificate range. There should be no trouble on the part of the Treasury in making available to the Federal Reserve Banks the short-term issues which they need.

Although the Central Banks generally go in for the most liquid securities when exchange offers come along, there have been occasions in which they have taken obligations which have been in the intermediate range. It might happen again in this refunding provided, of course, the powers that be tailor the offerings in such a fashion that the Federal Reserve Banks will take on slightly longer maturities for a modest part of their holdings. This would help the Government extend the average maturity of debt.

Eight to Ten-Year Bond Expected

As far as the non-Federal owners of the 4¾s are concerned, it appears as though a longer term obligation will be made available to them, in addition to the other issue or issues which would be in the short or intermediate-term maturity areas. The package deal which is being looked for in this refunding operation should be yond any question result in an extension of the Government debt maturity. Estimates are that between $1,500,000,000 and $2,000,000,000 of new bonds, due in eight to 10 years and carrying an interest rate of say 3⅞%, should come out of the Aug. 15th venture of the Treasury. In addition, there is also talk that certain of the outstanding issues will be reopened for this deal.

Cash Refunding a Mild Surprise

However, it should be borne in mind that the Treasury usually likes to have a surprise for the financial district when it comes into market, so the unexpected should still be expected. The method which will be used in this refunding is to give the "cash payment" idea a try-out and this was a mild surprise in the financial district. The money and capital markets are strong enough so that this is a good time to try out such a scheme which should keep "free riding" at a minimum and at the same time make possible the best distribution of the new securities.

"Advance Refunding Offers Looked for

The thinking in the financial district at the present time is that the Treasury, shortly after the August operation is out of the way, will again tackle the problem of "forward" or "advance" refunding so that selected maturities will be cut down to more workable proportions and at the same time the due date will be pushed ahead and the coupon rate upped. The bonds mentioned as the most likely candidates for this talked about undertaking of the Treasury are the 2¼s of 1959/62; the 2½s of 1962/67; the 2½s of 1963/68, and the 2½s of 1964/69. There may also be offers made to other issues which are considered to be on the bulky side, such as the 2⅝s of 1965, but this is not expected until a later date.

Chicago Inv. Women Elect New Officers

CHICAGO, Ill. — The investment Women of Chicago have chosen as their President for the 1960-1961 season Miss Doris M. Kempes of the Harris Trust and Savings Bank. Miss Mary Trenkle of Advance Mortgage Corporation was elected Vice-President and Mrs. Lois A. Mooney of Burton J. Vincent & Co. Recording Secretary. Mrs. Marjorie Rosen of Mullaney, Wells & Company was re-elected Treasurer and Miss Pearl Seamonson of the Lehmann Estate will serve again as Assistant Treasurer.

Doris M. Kempes

THE MARKET . . . AND YOU

BY WALLACE STREETE

Industrial stocks put together a rather unprecedented string of 11 declines in a row before the inevitable rally showed up this week to snap the skein. In the process the industrial average worked to within touching distance of its 1960 low but, at least temporarily, was able to hold without seriously threatening to penetrate that level.

In the chagrin, after the rail average had confirmed a classic bear market signal early in March, the industrial average worked down to the 596-599 area. The closing low was 599.10 on March 8.

The record since is one of support around that area. The reading was 599.61 on May 2 for the clearest test of the support and that time it held. On the rebound of early June it was up to as high as 656.

In broad outline, the market is still living up to some widely held expectations that industrials would hold in a 600-660 area until business prospects for the fall, and the election outlook, were more clear. The depressing elements were the continued lag in steel operations and the pattern of rising sales but lower income for some of the nation's industrial giants.

The offsetting factors were hopes that the fall pickup in general business might be stimulated by government spending and that the monetary authorities would release some of the reins to encourage the economy and the market, in turn.

While the action of the averages, and the dearth of significant volume aren't of much interest to someone who holds an issue that has been severely depressed, or, conversely, has been able to hold up well against the trend, when critical levels are approached such as a year's low, any penetration on the downside normally generates some additional chagrin, and added selling. It has nothing to do with the intrinsic value of securities but is a way of life in the stock market. So to that extent the ability of the average to hold is comforting to a rather wide circle of market followers.

But there is nothing on the scene at present to warrant any full-scale assault on the old all-time peak of 685, so the consensus is still that it is a trading market in which technical rallies can be expected without indicating that all the caution is to be replaced with renewed enthusiasm yet.

Apart from such broad, over-all things as the "market" and the averages, there was no dearth of issues that to various analysts appear both attractive despite the general trend and of sufficient basic value to be bought regardless of whether market indicators point up or down.

A Good Combination

An issue like Columbia Broadcasting, with an average yield and selling at a modest price-earnings ratio, has its followers both because television time sales have increased steadily and appear to be continuing the uptrend this year. Columbia, despite its electronics division, has not shared in the general demand for any issue that is involved in this field.

Electronic activities by Columbia Broadcasting are a small portion of the company's entire operation. But they do offer an area of growth potential. Apparently the company is increasing its interest in this work since it has a large, new plant under construction which will enable it to expand its electronic work importantly.

Radio Corp., which is a leader in the electronics field already, did share to a degree in the recent play in electronic issues but in the market setback was rather harshly handled. RCA already has expanded its non-entertainment lines sharply to where this portion of its business has grown from 12 to 46% of the total in the last decade. In part the rough treatment accorded the stock recently was due to a forced conversion of debentures brought about when they were called. As a consequence, the stock has been available at around a fourth under its high of earlier in the year. With the debentures redemption date coming next week, which will end the dilution of the stock, and a better market climate, RCA could act better in tune with its position as a leading member of what admittedly is the hot growth field at the moment.

"Not Overvalued Statistically"

In the metal section, the above-average yield is available in Newmont Mining which returns about 4%. More importantly, it earned its full year indicated payment in the first six months. Newmont is not strictly a metal company but an investment one with large holdings of metal shares. It has been available at depressed levels in good part because of its holdings of issues involved in the disturbances in Africa. Its two largest African holdings, however, are Tsumeb Corp. and O'okiep Copper which have been unaffected by the unrest in that continent.

The value of Newmont's holdings, which also include oil and gas companies, figures out to above $95 a share which makes the market price around 59, a discount of more than a third from the asset value. It is one of the larger such discounts available and, historically, is an abnormally high discount for Newmont itself. A price tag a quarter under this year's high and only half of its historical high of three years ago would seem to add up to an issue that at the very least is not overvalued statistically.

Prime metal stocks have been wanting for followers for some time and the recently split shares of International Nickel have moved narrowly ever since trading started in them. Their range has been a mere half dozen points. Ignored in this neglect was a sharp pickup in demand for nickel that jumped earnings for the first quarter this year to where they were nearly half again above as for the corresponding period a year ago. Prospects for the rest of the year are rated favorable with sales seen running well past the half billion level for the company that produces nearly two-thirds of the free world's nickel supply.

"Pay Off" Seems Near

Nestle-LeMur, which jumped into the drug field two years ago, has been comparatively inactive after the initial flareup despite the fact that it seems to be on the brink of showing the full advantages of its broadened participation. It made the move into pharmaceuticals by acquiring three drug producers in 1958 to supplement its old-line cosmetic business. These acquisitions seem to be digested now and ready to pay off. The company's earnings record, as a matter of fact, was a good one even before it entered the drug field. It has pushed to record sales and earnings each year for the past seven and the pattern showed no signs of slowing down in this year's interim report. The yield is a low one on the cash payout but these payments have been bolstered by stock payments that have run 5% in recent years although they ran as high as 50% in 1956 and 1957.

In the electronics, where the skyrockets have been cut back a bit hard, the hunt was more for large operators in the field that have been neglected rather than for bargains among the recent favorites. Bendix Corp., which has become an important missile-electronic operation, offers an above average yield running well into the 4% bracket and sells at some 12-times earnings where fantastic multiples are the rule. Obscuring the per-share results are abnormally large research expenditures that run double the reported net income. Nevertheless, the firm is pointed toward record sales this year and per-share results are expected to compare favorably with last year's despite the larger number of shares outstanding.

The Surest Way to Bolster Confidence in Our Currency

By Frederick G. Shull, New Haven, Conn.*

Noting the increasing concern given to ways of bolstering foreigners' confidence in our currency, writer on money asks what better policy could be employed than allowing all foreigners and all Americans the privilege of gold redemption at the established mint rate. Mr. Shull is pained by the monetary history we have forgotten and the lessons requiring re-learning; dips into observations of many former American leaders; and poses this question: if we insist today that irredeemable money is sound then is gold-redeemable money unsound?

If foreigners were to lose confidence in the American dollar, and were to present their dollars at the U. S. Treasury for redemption in gold, they could practically exhaust our entire stockpile of gold at Fort Knox and our other repositories. The question therefore arises: How can we best bolster their confidence in American dollar? A highly reasonable method would seem to be for us to prove to foreigners that we, ourselves, have confidence in our dollar. But, with the irredeemable paper dollar with which we have been operating for the past 27 years, is there any good reason for us to display that necessary confidence? The answer is that there is not unless, and until, our Government exhibits sufficient confidence in the people of the U. S. to restore to them a currency maintained on the sound foundation of the gold standard. As matters now stand, foreigners have greater reason to have confidence in our dollar than we ourselves—for we have never gone off the gold standard in our dealings with foreign central banks and nations, since they continue to enjoy the privilege of exchanging their American dollars for gold at the U. S. Treasury at our official-price of $35 a troy ounce. To correct this situation our citizens should be accorded the same privilege—the privilege of laying a five, ten or twenty-dollar bill on a bank counter and walking away with a gold piece of the same denomination. That can easily be accomplished if Congress will restore to our citizens, as well as to foreigners, the privilege of redeemability of our paper money in gold, on demand—a privilege that existed throughout the greater part of our history as a nation prior to 1933.

Frederick G. Shull

Bolstering Confidence in Our Currency

Is there much likelihood that our citizens would raid their government's stockpile of gold if they were accorded the privilege of redeemability? It seems highly unlikely that such would happen; for only a crackpot would draw his money out of a savings bank that is earning him $35 a year for each $1,000 of such deposits and hoard gold at no interest return. And what better policy could our government possibly adopt for giving the American public confidence in its currency, and in its bonds, than by assuring the public that henceforth our currency shall be maintained "as good as gold." That can be accomplished only by return to the gold standard, meaning, a redeemable paper currency.

It is doubtful that many people have any clear conception as to what 20,000 tons of gold might look like—which tonnage is the approximate amount we have on hand. Let me picture it in this way: Since 50-tons of any metal is a fair carload, it becomes apparent that we have about 400 carloads of gold—enough to load four 100-car freight trains. It represents about one-half of the world's known stock of gold. Therefore, we should be the last nation on earth to worry as to our ability to maintain our currency on the gold standard.

It has been said that a nation that forgets its history is likely to live it over again. And it seems to me that the great majority of the American people must have forgotten the monetary history of their country, otherwise they would not be satisfied with the irredeemable paper money with which we are operating. Certain high officials in Washington frequently refer to our present currency as "sound money." But since that currency is irredeemable — and since irredeemable is the opposite of redeemable — a leading monetary economist pointed out that if irredeemable paper money is sound money, then paper money redeemable in gold must necessarily be an unsound currency. That could only mean that throughout the greater part of our history as a nation we have been operating with an unsound currency—that it took a New Deal to prove to us that printing press paper money is better than gold. What nonsense!

Adam Smith and Alexander Hamilton

As good a background as I know for discussing the monetary history of this nation is provided by a statement in Adam Smith's "Wealth of Nations," a book published 13-years before we set out as a nation in 1789. Smith's book is the only book on Economics included in Dr. Eliot's five-foot-shelf known as the Harvard Classics; and it presents this profound statement; "The raising of the denomination of the coin has been the most usual expedient by which a real public bankruptcy has been disguised under the appearance of a pretended payment." In 1933 our political leaders "raised the denomination of our coin," whereby, in effect, they declared a 20-dollar gold piece to be a 35-dollar gold piece, approximately. To that dishonest "expedient" may be charged much of the inflation we have experienced over the past 27 years.

It was Alexander Hamilton, Secretary of the Treasury under President Washington, who was instrumental in establishing the American dollar in 1792. It is evident that Hamilton was a sound-money man, a leader in setting our currency standard in terms of both gold and silver. Since we possessed very little gold in 1792, as compared with the nearly 20,000 tons we have today, it apparently was felt that both gold and silver were needed to protect the quality of our currency. At any rate, the first move was to give the Dollar a value of 412.50 grains of silver, nine-tenths fine, which amounts to 371.25 grains of pure silver. Then, on the theory that gold was 15-times as valuable as silver, the dollar was also given a value of 24.75 grains of fine gold — which 24.75 is exactly one-fifteenth of 371.25.

Under that set-up we went forward for the next forty years with no change in our currency stand-

ard. But, in the early 1830s there were those who felt that the 15-to-1 relationship wasn't quite right—that it ought to be 16-to-1, instead; and apparently that idea had some merit — at least, that change was made. They made the change by leaving the silver-content of the dollar exactly where it had been originally set; but they dropped the gold-content from its original 24.75 grains to 23.22 grains resulting in the desired 16-to-1 relationship. It also resulted in that well-known official-price of gold, namely, $20.67 an ounce. In other words, 480 grains per troy ounce, divided by 23.22 grains per dollar, comes to $20.67 per ounce. That official-price was maintained from 1837 until 1933.

Daniel Webster's Views

In that debate of the 1830s Daniel Webster played a leading role. His address, "A Redeemable Paper Currency," delivered in the U. S. Senate on Feb. 22, 1834, included arguments in favor of the importance of specie-backed currencies. Following are some of his sound statements as to what constitutes honest money:

"I know, indeed, that all paper ought to circulate on a specie basis; that all bank notes, to be safe, must be convertible into gold and silver at the will of the holder."

Webster went on to say that paper money of that character is not "paper money" in an odious sense; that it is the "representative of gold and silver"; that it "serves the purposes of gold and silver"; and that, when so sustained, "it is the cheapest, the best and the most convenient circulating medium." And he continued: "I have already endeavored to warn the country against irredeemable paper; against the paper of banks which do not pay specie for their own notes; against that miserable, abominable, and fraudulent policy which attempts to give value to any paper, of any bank, one single moment longer than such paper is redeemable on demand in gold and silver."

If we are to believe Daniel Webster—and I thoroughly agree with the sound principles he has so clearly stated, as above quoted—then, ever since 1933, this nation has been operating with a currency that is "miserable, abominable, and fraudulent."

Adventure With Greenbacks

We went forward from 1837 until 1861 with no further change in our currency. But, with the Civil War upon us, President Lincoln evidently felt it necessary to temporarily withdraw the privilege of redeemability in gold; and that held for the next 18 years through a period known as the "Greenback" era. Presumably that action on Lincoln's part was prompted by the fact that we needed to buy war supplies in foreign markets, and gold is the only form of money recognized in foreign commerce. In the 1870s, with the war behind us, there were those who felt we ought to get back on a full gold standard. Leading in that movement was the then Senator John Sherman, sponsor of the "Resumption Act of 1875," and who later became Secretary of the Treasury under President Hayes, in 1877. Favorable action was taken on Sherman's "Resumption Act," and it became effective on Jan. 2, 1879.

In that accomplishment Sherman received strong support from Andrew D. White, Yale 1853, and co-Founder of Cornell University. Yale's high regard for Dr. White is evidenced by the fact that a likeness of him adorns the wall of The Commons, along with the other "Greats" of Yale. On graduation, Mr. White spent the next few years in Europe on a diplomatic mission and in further pursuance of his studies; and he found time to make a thorough investigation of the experience of France with irredeemable paper money at the period of her Revolution. White found that France's currency became so depreciated in value from 1789 to 1797 that by that latter year the people were throwing out their paper money with other waste paper and trash as of no value whatever.

Dr. White's Findings

Fearing that we might follow too far in the unfortunate footsteps of France, Dr. White, in the early 1870s, brought to the attention of Congressmen and businessmen what irredeemable paper money had done to France; and he did so to good effect in support of the "Resumption Act." White's story formed the basis of his small book, "Fiat Money Inflation in France," which is a masterpiece on the subject of what constitutes sound money. Following are excerpts from that book:

"Whenever any nation intrusts to its legislators the issue of a currency not based on the idea of redemption in standard coin recognized in the commerce of civilized nations, it intrusts to them the power to raise or depress the value of every article in the possession of every citizen." The wisdom of those words has been clearly demonstrated to us by the degree of inflation we have experienced these past 27-years since the abandonment of the Gold Standard in 1933. And, a few pages later, Dr. White has this to say as to what happens when nations operate with irredeemable paper money:

"Every other attempt of the same kind in human history, under whatever circumstances, has reached similar results in kind if not in degree. All of them show the existence of financial laws as real in their operation as those which hold the planets in their courses." What Dr. White is saying is that once a nation has established its monetary standard in terms of a fixed weight of gold per monetary unit, it has placed that standard in a definite orbit; and it can no more change that standard in its orbit, properly, than it can change the planets in their orbits. In other words, as he wisely says, "there are financial laws as real in their operation as those which hold the planets in their courses."

Called a Cornerstone 27 Years Ago

In 1896 the great monetary battle was waged in that famous political campaign for the Presidency—the opponents being William Jennings Bryan of "crown of thorns, cross of gold" fame, and William McKinley the Republican nominee supporting the Gold Standard. And it was the celebrated Senator from Massachusetts, Henry Cabot Lodge (the elder) who demanded of the party leader, Mark Hanna, that there be a gold-standard plank in the platform. Senator Lodge was successful in that effort — in fact he actually wrote the plank adopted by that convention. And in 1900, in a speech at Canton, Ohio, formally notifying President McKinley that he had been nominated to succeed himself, Lodge referred to the gold standard as "the cornerstone of our economic structure." If Mr. Lodge was correct in that reference — and I firmly believe he was—then for the past 27 years the U. S. A. has been operating with an economic structure from which the cornerstone has been removed; and I leave it to your judgment as to what is likely to happen to any structure from which you remove the cornerstone.

No President of the United States has ever displayed greater concern for the preservation of the Gold Standard than Theodore Roosevelt — as the following excerpts from his addresses clearly bear out:

At Logansport, Ind., in September, 1902, he said: "An honest currency is the strongest symbol and expression of honest business life. . . . A financial system of assured honesty is the first essential."

At Canton, Ohio, in January, 1903, commemorating the anniversary of the lamented President McKinley, and referring to the leading role McKinley had played in that great gold-standard political battle of 1896, Roosevelt said: "All other issues sank in importance when compared with the vital need of keeping our financial system on the high and honorable plane imperatively demanded by our position as a great civilized power."

At the State Fair, Syracuse, N. Y. in September, 1903 he said: "This nation is on a gold basis. The treasury of the public is in excellent condition. Never before has the per capita of circulation been as large as it is today; and this circulation, moreover, is of money every dollar of which is at par with gold."

And finally, at Oyster Bay, N. Y., in July, 1904, when he was being formally notified that he had been nominated to succeed himself, President Theodore Roosevelt had this to say: "We know what we mean when we speak of an honest and stable currency. . . . So long as the Republican Party is in power the gold standard is settled, not as a matter of temporary political expediency, not because of shifting conditions in the production of gold in certain mining centers, but in accordance with what we regard as the fundamental principles of national morality and wisdom."

What Would Teddy Roosevelt Say Today?

I sometimes wonder what Theodore Roosevelt would think of our present-day "modern" Republicanism—a Republicanism which promised to restore our currency to the gold standard, but which, after nearly eight-years in office, hasn't lifted a finger to carry out that reasonable campaign promise.

In 1908 Andrew Carnegie addressed the Economic Club of New York, and, in that address, he gave strong support to the gold standard in the following words: "There is only one substance in the world which cannot fall in value, because it is in itself the world's standard of value, and that is gold, which the banks of civilized nations have as their reserve."

Mr. Carnegie went on to compare gold to the North Star, saying that that star, as we all know, is the most nearly fixed in its position of any of the heavenly bodies; that it is the star about which the solar system revolves. He then said that gold occupies a somewhat similar position with respect to other commodities, in that gold is the most nearly fixed in value of any of the commodities—and that to deny to gold its privilege of serving as the standard of value would be like refusing to call the star, nearest of all stars to the true North, the North Star.

In 1921 Andrew W. Mellon became Secretary of the Treasury under President Harding; and in just three years Mr. Mellon reduced the national debt from $26 to $17 billion. In other words, by careful and skillful handling of the finances of this nation, Mr. Mellon, in that three-year period, reduced the Debt by $9 billion. And, in 1924, Mr. Mellon wrote a book which carries the title, "Taxation: The People's Business," in which book he gives strong support to the Gold Standard in these words: "In so far as this government is concerned its policy has been to keep its own house in order, to maintain the gold standard unimpaired, to balance its budget, and to carry out a reasonable program for the orderly funding and gradual liquidation of the war debt."

Now, as I mentioned earlier, we seem to have forgotten the monetary history of this nation; but I hope I have filled in on some of the outstanding features of what constitutes sound money — features, that had the strong support of such well-known American leaders as Alexander Hamilton, Daniel Webster, John Sherman, Andrew D. White, Henry Cabot Lodge, Theodore Roosevelt, Andrew Carnegie, and Andrew W. Mellon. Those who have confidence in the opinions of these great Americans, it seems to me, should be willing to join them by supporting a return to the gold standard.

And how can one easily do this? Why, simply by writing letters to such leaders as President Eisenhower, Vice-President Nixon, and one's Senators and Representatives in Congress, urging those leaders to promote restoration of our currency to the gold standard. Such action should provide a real service designed to benefit our entire 180 million citizens.

In closing, let me say that Mr. Bryan, in 1896, uttered the following meaningless words at the Chicago convention which nominated him for the Presidency: "You shall not press down upon the brow of labor this crown of thorns; you shall not crucify mankind on a cross of gold." His vigor and forcefulness in that pronouncement so aroused a tired convention that they promptly nominated him by acclamation.

What we need today is an aroused public that will put real meaning into a paraphrase of Bryan's words—a public that will say to our leadership in Washington: "You shall not press down upon the brow of the American people this 'New Deal' Paper Hat! You shall restore our time-honored Gold Helmet!"

*An address by Mr. Shull (Secretary-Treasurer of the General David Humphreys Branch No. 1, S. A. R.) before the Mary Clap Wooster Chapter, D. A. R., New Haven, Conn.

Gerstley Sunstein To Admit Partner

PHILADELPHIA, Pa.—Martin J. Whitman on Aug. 4 will be admitted to partnership in Gerstley, Sunstein & Co., 211 South Broad Street, members of the New York and Philadelphia-Baltimore Stock Exchanges.

Named Director

Richard P. Walker, president of American-International Aluminum Corporation, announced the election of James Hodes to the company's board of directors. Mr. Hodes is a general partner in the investment firm of Hardy & Co., members of the New York Stock Exchange.

Real Estate Syndication For the Smaller Investor

By Bertram Lewis,* *Executive Vice-President, Syndication Investors Corp., New York City*

Mr. Lewis explains what real estate syndication is, why it is available now to the smaller investor, and how it advantageously compares to investments in stocks. Among the arguments advanced in favor of this investment medium, Mr. Lewis satisfyingly notes the greater liquidity resulting from growing number of participants and the extent of diversification at the disposal of the modest investor.

There seems to us, who are close to the situation, an alarming lack of information, and at times misconception about real estate syndicate investment among the very people who should be best informed about this extremely significant investment form. I say significant with knowledge of recent statistics which show more than $10 billion invested in such syndicates. Business men who invest in securities, persons who have proven their interest in a second income from investment, seem, in many instances, to be poorly informed about real estate syndication. This is unfortunate because these persons ordinarily are sophisticated and rather well-informed about the opportunities that provide capital growth and a second or retirement income.

Bert Lewis

This presentation may appear a bit one-sided, but I do want to offer it as my own small effort to explain and clarify the workings, and of course, the advantages of real estate syndication for the average small busniessman-investor.

Defines Real Estate Syndication

First of all, a real estate syndication is simply the means by which a group of people pool their money to buy or develop a piece of property because of its proven or potential high rate of return. Current syndicates thus furnish the small investor with a means by which he can take advantage of the stability and high return that is the essence of real estate investment.

There have, of course, been real estate syndicates for many years, but only in the past few has this field opened up to the smaller investor. In the past, private groups of large investors pooled individual investments in excess of $100,000 in a syndicate. Today, investors can become syndication partners for as little as $1,000.

These syndications are formed under the direction of established organizations, who analyze available properties, buy contracts under the best possible terms to those judged good investments, offer limited partnership shares either to investors in a single state or nationally through an SEC registered transaction; take title to the property, and either manage it, hire management or lease it back to the builder or sellers. Such arrangements to provide sound income (ranging from 10 to 15% on moneys invested) are operative with apartment houses, bowling alleys, country clubs, industrial properties, office buildings, hotels and motels, wherever extremely close and careful analysis reveals their is security and proven ability to assure such returns.

Outlines Advantages

Now what special advantages does this form of investment have for the small businessman?

First of all, it is one investment in which active management is not required. It is a second income in which the investor need take no active part other than endorsing his monthly check. The syndication general partner arranges for management and other details of operating the property. There is no need even for sale or manipulation, as the value does not change daily as in the case of the stock market. It is an investment form which leaves the small businessman free to concentrate all his thoughts and energies on the conduct of his own business.

There is an extremely high leverage in real estate. That means one dollar of investment money in real estate can often do the work of nine in the stock market. Because of the existence of mortgages ranging from 50 to as high as 90%, the amount of cash which can buy a major property is relatively small; this is certainly not the case in the stock market with its present 90% margin requirements. Thus, a $5,000 investor may actually obtain 1% share of a $3 million hotel or office building—and in real estate, the greater the relative size of the property holding, the greater is the security for the investor.

Real estate investment provides excellent tax shelters. In some instances, the investor earns cash of 10 to 12% while taking a tax loss against other income. In many cases, returns on syndicate investment for the first five years or more are completely or substantially tax free. The reason for this is principally due to the fact that allowable accelerated depreciation bears relation only to the book value of the physical property and furnishings, and not to the overall appreciating market value of the property. Remember, real estate is a fixed commodity; more land certainly can't be created, and key locations can't even be duplicated. Those who have sold their own home, or had an offer to do so, know that real estate values have generally risen despite so-called "book" depreciation.

High cash returns — ranging from 10 to 15% after amortization of mortgages are certainly a hallmark of realty estate investment. In addition, there exists the important refinancing factor through mortgages obtainable on syndicated properties, by which part or all investment moneys may be returned, and yet the investor continues to receive the distribution for his original limited partnership share. As the mortgage market eases, this refinancing will be an ever-increasing boon to syndicate investors. Thus, mortgage amortization adds to the effect of normal supply and demand factors in creating capital appreciation.

The syndicate investor is not choosing his property blindly. He is investing with a professional organization, whose very existence depends upon the complete success of each one of its syndications. Any number of real estate appraisers, independent brokers and syndicate underwriters are available to analyze properties for their clients. The reputation of the syndicator is fully publicized, and even the smallest investor may meet with the general partner and personally discuss the entire transaction with him.

Improvement in Liquidity

In the concept of liquidity, we find a real misconception about realty investment. It certainly isn't as liquid as a securities investment. That goes without saying; just as it doesn't fluctuate, day to day as does a stock. But the tremendous increase in realty investor interest has created a vast market with which syndicators and broker-dealers are in close contact. Some properties have over 1,000 investors, who themselves represent a larger market than exists for many corporate securities in this country.

Syndication underwriters are today extremely large, with lists of investors in the tens of thousands. We have marketed partnership shares for investors without difficulty. Although the syndicate form in its essence is not a liquid one, we can unequivocably state that under its present operation, such investments have been liquified without difficulty in but a few short days.

Furthermore, the interest or distribution from a realty investment, coming each month, may actually make the participation more liquid than a stock investment which demands initiative in sale at the right time for full profits, and certainly more liquid than a small business, with a large part of it tied up in accounts receivable, inventories and machines and equipment. Diversification into real estate is thus a course being taken by many businessmen as a means of setting up a very workable retirement income and estate under which their survivors can benefit from established income without need for business experience, management or manipulation. I might add, diversification within real estate is recommended today—just as within stocks—to cover various types of properties in various sections of the country — and abroad. The small investment possible under the present syndicate form makes this type of diversification possible even among investors of moderate resource.

No investment in a free economy answers all the needs of everyone. But certainly real estate syndication offers much to arouse the interest of self-employed persons anxious to provide for their retirement. It certainly is a useful beginning toward the end of providing a substantial tax-free effort-free and work-free income for the small businessman.

*An address by Mr. Lewis before the New York Lions Club, New York City, July 25, 1960.

M. A. Lomasney Sells Norwalk Common Stock

Norwalk Co., Inc., a Delaware corporation, is offering 100,000 shares of common stock ($1.00 par value) at $5.00 per share, through Myron A. Lomasney & Co., underwriter.

Norwalk will use approximately $100,000 of the proceeds for additions to and improvement of the company's plant, machinery and equipment. The company also plans to pay one half ($227,221) of its 6% serial promissory notes and use the balance of the proceeds for the company's working capital.

The company designs, constructs and sells high pressure air and gas compressors under the trade name "Norwalk" which has been used by the company and its predecessors as a trade name for compressors since 1864. It also sells replacement parts for its compressors and supplies the services of its employees in connection with the erection, installation and maintenance of its compressors at customer's plant site. Norwalk compressors are in use in almost every State in the United States and in many foreign countries.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

Appointment of Gustaf Seaberg, as a member of the Lower Brooklyn Advisory Board of **Manufacturers Trust Company, New York**, was announced by Horace C. Flanigan, Chairman of the Board of the bank.

Mr. Seaberg is a member of the Board of Trustees of the **Brevoort Savings Bank of Brooklyn, N. Y.**

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Irving Trust Company, New York, announces the promotion of Hamilton Adams, Pierce M. Davis, Stephen P. Pendias, William E. Scott and Nicholas Ustin from Assistant Vice-President to Vice-President.

At the same time the following were appointed Assistant Vice-Presidents: Carl Biebers, Jr., Philip K. Graham, Alden W. Hammond, Kenneth K. King, Jr., William T. Lybrand, Kenneth E. Monaghan, Augustus L. Putnam, Andre F. Python, William D. Smith and James E. Stubenrauch.

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The Vice-President and Treasurer of the **Union Dime Savings Bank, New York,** Mr. Ross D. Hill, has been elected a Trustee.

* * *

Long Island Trust Company, Garden City, N. Y., will open its first Suffolk office July 26, in Melville, announced Frederick Hainfeld, Jr., President. William F. Fortunato of Levittown, Assistant Vice-President, has been named manager of the branch.

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Security National Bank of Long Island, Amityville, New York, will open its newest branch office building on August 13 at Shirley, L. I., shopping center.

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The Office of Comptroller of the Currency has issued a merger certificate approving and making effective, as of the close of business, July 8, the merger of **The First National Bank of Greenport, Greenport, N. Y.,** with common stock of $100,000, into the **Valley Stream National Bank and Trust Company, Valley Stream, N. Y.,** with common stock of $943,900. The title of the bank is **Valley National Bank of Long Island,** with capital stock of $1,088,900, divided into 217,780 shares of common stock of the par value of $5 each.

* * *

Permission has been received from banking authorities to open an office in Levittown, Frederick Hainfeld Jr., President of **Long Island Trust Company,** announced. The new office, will be located in the Newbridge Shopping Center at the intersection of Levittown Parkway and Newbridge Road in the unincorporated village of Levittown.

Charles H. Woolley, III of Huntington Station, Assistant Secretary and Assistant Manager of the Stewart Manor Office, has been named Manager of the bank's new Levittown Office, which will be opened in the near future.

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Shareholders of **National Bank of Westchester, White Plains, N. Y.,** and **The Rye National Bank, Rye, N. Y.,** approved an agreement to consolidate. Upon receipt of a certificate of approval from the Comptroller of the Currency, the two banks will consolidate at the close of business on July 29. All offices of both banks will reopen on Aug. 1 as **National Bank of Westchester, White Plains, N. Y.**

Total assets of the combined bank will be in excess of $200,-000,000 and capital and surplus over $12,000,000.

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Mr. J. Phillip Smith has been elected Senior Vice President, Directors of the **State Street Bank and Trust Company, Boston, Mass.** announced. Mr. Smith is also a Trustee of the Melrose Savings Bank, Mass. He began his career in 1931 with the **Augusta Trust Company, Maine.**

* * *

By the sale of new stock, the **Union Center National Bank, Union, N. J.,** has increased its common capital stock from $900,-000 to $1,050,000, effective July 11. (Number of shares outstanding—105,000 shares, par value $10).

* * *

Everett H. Pixley has been named Senior Vice-President at **Mellon National Bank and Trust Company, Pittsburgh, Pa.** The announcement was made July 25 by Frank R. Denton, Vice-Chairman of the Board of Directors.

Mr. Pixley Joined The Union Trust Company in 1936 as Assistant Vice-President in the New Business Department. In 1942, he was named Vice-President and, following the merger of **Mellon National Bank** and **The Union Trust Company** in 1946, he became a Vice-President in the Banking Department. In 1959, he was named Vice-President in charge of the bank's National Department.

William G. Milburn has also been appointed assistant Vice-President in the Administrative Office.

* * *

Eugene Levering Norton, died July 21 at the age of 79.

Mr. Norton the first President of the **Finance and Guaranty Company of Baltimore** in 1911. He was also a former President of the **Atlantic Trust Company,** and **the Baltimore Trust Company.**

* * *

Election of Russell R. Berman as Vice-President of **The Ohio Citizens Trust Company, Toledo, Ohio,** has been announced by Willard I. Webb, Jr., President. His elevation from Assistant Secretary was voted at the bank's Board of Directors meeting held July 20.

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Ronald A. Hill, former Assistant at the Oregon office of **The Ohio Citizens Trust Company, Toledo, Ohio,** has moved to the Colony branch in the same capacity. Donald A. Adams, previous Colony Assistant, has been assigned to the Parkway Plaza office as Assistant Manager. Elmer N. Nichols was promoted from the personal loan collection department to Assistant Manager for Oregon.

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By a stock dividend **The Lake Shore National Bank, Chicago, Ill.,** has increased its common capital stock from $2,000,000 to $2,500,-000, effective July 13. (Number of shares outstanding — 250,000 shares, par value $10).

* * *

Airport banking service is now available at the **Public Bank, Detroit, Mich.,** at the new office, at the Metropolitan Airport. It is the sixth Public Bank office in the Detroit area.

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Oakdale State Bank of Owatoona, Owatoona, Minn., is the new name and location of the **First State Bank of Meriden, Meriden, Minn.**

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The National Bank of Toledo, Toledo, Iowa, with capital stock of $80,000 was converted into a state bank under the title **The State**

Bank of Toledo, Iowa, effective July 5.

* * *

The Fourth National Bank of Tulsa, Tulsa, Okla., has increased its common capital stock, by a stock dividend, from $1,200,000 to $1,500,000, effective July 15. (Number of share outstanding—150,000 shares, par value $10).

* * *

The City National Bank of Selma, Selma, Ala., has increased its common capital stock from $200,000 to $320,000 by the sale of new stock, effective July 13. Number of shares outstanding — 64,000 shares, par value $5).

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The Progressive Bank and Trust Company, New Orleans, La., has changed its title to **The Bank of New Orleans and Trust Company.**

* * *

The First National Bank of Glenwood Springs, Glenwood Springs, Colo., by a stock dividend, has increased its common capital stock from $125,000 to $250,000, effective July 15. (Number of shares outstanding—25,000 shares, par value $10).

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Tracy-Collins Bank and Trust Company, Salt Lake City, Utah, is the new title of the **Tracy-Collins Trust Company, Salt Lake City, Utah.**

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Elliott McAllister, Chairman of the Board of **The Bank of California, N. A., San Francisco,** announced the appointment of Ray E. Johnson as Assistant Trust Officer at the Bank's Tacoma, Washington office.

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The Portland Trust Bank, Portland, Ore., has changed its title to **The Oregon Bank.**

Strauss & Ginberg Forming Own Cos.

As of Aug. 1, 1960, Frank Ginberg and Abraham Strauss, will form their own separate firms under the titles of Frank Ginberg & Co.,

Frank Ginberg   Abraham Strauss

Inc., 25 Broad Street, New York 4, N. Y. (Tel: DIgby 4-2980) and Abraham Strauss & Son, Inc., 115 Broadway, New York 6, N. Y. (Tel: BArclay 7-0130).

Strauss, Ginberg & Co., Inc., will discontinue all business activities as of July 31, 1960.

Longstreth With Broad St. Sales

Frank M. Longstreth III has been appointed district manager of Broad Street Sales Corporation for Ohio, Michigan, Kentucky, West Virginia and Western Pennsylvania. Mr. Longstreth will make his headquarters in Cleveland, Ohio.

Before joining Broad Street Sales, Mr. Longstreth was manager of the mutual funds department of Warner, Jennings, Mandel & Longstreth, of Philadelphia. Prior thereto he had been with the Philadelphia sales department of Reynolds & Co.

Int. Harv. Credit Corp. Debentures Sell At Premium

A nationwide underwriting group of 113 investment firms headed jointly by Morgan Stanley & Co., Glore, Forgan & Co. and William Blair & Company placed on the market on July 27 $50,000,000 of International Harvester Credit Corp. 4¾% debentures series B due 1981, priced at 100¼% and accrued interest to yield approximately 4.73% to maturity. The issue sold quickly at a premium.

The corporation, a wholly-owned subsidiary of International Harvester Co., will add the net proceeds of the sale to its general funds to be available for the purchase of receivables. The proceeds may be applied initially to the reduction of short-term borrowings.

The debentures will be non-redeemable prior to Aug. 1, 1970, except that under a special redemption provision applicable from Aug. 1, 1965 through July 31, 1970 under certain conditions of declining non-subordinated indebtedness the debentures are callable at special redemption prices.

In the twelve-month period beginning Aug. 1, 1970, the debentures will be redeemable at 103¼%, and thereafter at prices declining to the principal amount on and after Aug. 1, 1978. Under certain conditions of declining non-subordinated indebtedness the debentures may be redeemed at lower redemption prices on or after Aug. 1, 1965.

The corporation finances wholesale and retail sales of International Harvester Company and its distributors and dealers in the United States. The Harvester Company is a leading maker of motor trucks, various lines of farm machinery and construction equipment including crawler tractors, earth and material moving equipment and power units.

International Harvester's farm equipment is sold to approximately 4,700 independent dealers located throughout the country; its motor trucks are sold to 4,800 dealers, a majority of which are Harvester farm equipment dealers as well, and construction equipment is sold to more than 100 distributors. In addition, International has retail outlets for farm equipment in about 120 cities, some of which also retail motor trucks, and retail outlets for trucks at about 180 other locations.

Notes receivable (after deducting deferred discounts, unearned finance charges and reserve for losses) held by the Credit Corporation amounted to $450,610,309 at April 30, 1960 compared with $354,984,024 at April 30, 1959 and $384,767,769 at October 31, 1959.

Total indebtedness of the Credit Corporation at June 30, 1960 was $396,620,500. This total included: short-term notes amounting to $298,120,500, long-term senior debt of $71,000,000 and subordinated indebtedness of $27,500,000.

All of the outstanding stock of the Credit Corporation is owned by the International Harvester Company. Total capital stock and surplus at April 30, 1960, amounted to $61,658,995.

Walker & Wight Join Robinson-Humphrey Co.

ATLANTA, Ga.—Robinson-Humphrey Company, Incorporated, has opened a branch office in the Gordon Hotel Building, Albany, Ga. and at 28-13th Street, Columbus, Ga. Wendell B. Wight will be in charge of the Albany branch and Cullen J. Hoffman will be manager of the Columbus branch. Both were formerly principals of Hoffman-Walker-Wight Company of Albany and Hoffman-Walker Company, Columbus.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

People Are People

A young salesman came up to me recently and fairly exploded. He had just been exposed to a situation that happens very often when certain investors become emotionally entangled with their securities. The emotional factors which are so often present when some people buy and sell securities makes it imperative that a security salesman learn certain of the rules that particularly apply to this type of salesmanship. A man may buy a car, a suit of clothes, a boat or a house, and unless he's picked up a real AAA lemon he learns to live with his bargain. Not so with some people's securities. There are people who believe that it is a discredit to their ability and intelligence if they take a loss on an investment, or if they sell too soon, or buy too late, or make any of the mistakes that other better balanced individuals take in their stride. These people are touchy to a point of extreme sensitivity and the security salesman who expects to deal with them has to be as good a psychologist as a security analyst.

Don't Tell Me What to Do

It seems that this salesman had carefully nursed one of his customers into holding a stock that started its advance from around the 42 level all the way up to about 58. This advance required about two months time. The stock had not been purchased from this salesman, but it had already been acquired by the customer when the salesman learned about it. It was in the customers' account with another firm. The stock acted well and this salesman constantly kept advising his client to hold, while at the same time he was told that a salesman from the other firm had tried to get the customer to sell it from the 49 level upward.

This went on for weeks; one salesman telling the customer to sell, the other to hold. Finally the stock got up to around 58 and began to falter so the salesman who had been advising to "hold" called the client and suggested that it might be advisable to sell 100 shares which would still leave the investor with 400 that could be sold on a scale upward if market action warranted it. After quite a bit of discussion the salesman finally said, "Why not sell 100 shares and play percentages. You have a good profit, the stock is beginning to look tired; if you are wrong you still have 400 shares that you can sell at a higher level. If you are right, you have taken some profit and you are beginning to hedge your bet on this market." The customer finally conceded and an order was given to sell 100 shares which was done at about 58. In the next two days the stock ran up to about 61. The customer telephoned and was very upset. He gave this salesman quite a going over. Forgotten was all the effort this salesman extended to keep him in the stock from 42 upward against the constant blandishments of the competitor's advice to sell at 48 and up. "You and your percentage," said the customer, "I'll percentage them myself from now on."

You're Right But You're Wrong

Only a few days more elapsed and the stock was down to 57. Then more selling came in and it went lower to around 55. Our salesman then called his customer and gave him a few market quotations. Gingerly he approached the subject of what to do with the remaining 400 shares and his customer told him that he wasn't worried, he had decided to keep it. If it went down to about 52 he expected to buy back the 100 shares that he had sold at 58 on this salesman's suggestion. Of course there was no thank you, nor any apologies for the rough way he treated the salesman after the stock had advanced to 62. The salesman asked if he would like to place an open order to buy the 100 shares and the customer said he would watch the stock and, if it sold down to that level, he would give him an order.

Markets being what they are, the stock began to decline farther and the other day it hit 53. Being a young man of long memory, and attending to his business, our salesman telephoned the customer and reported the fact, reminding him that he would be glad to buy back, at 52, 100 shares that was sold at 58. "Buy it back" exploded the customer. "Boy, are you out of your mind? I sold that dog at 55½ and am I glad I am out of it. I made mine and that's what I call a profit. If I can pick up about 13 points on 500 shares in this market that's good enough for me."

There is one thing you learn after you have been dealing with security buyers for a while. SOME PEOPLE MEAN WHAT THEY SAY AND THERE ARE OTHERS WHO DON'T!

Parker, Ford & Co. Announces Expansion

DALLAS, Texas—Parker, Ford & Co., Inc., announces the transfer of its Dallas headquarters to larger quarters and the establishment of a branch office in Ardmore, Okla.

The firm has leased the entire 20th floor of the Vaughn Bldg.—more than double the space of its offices in the 211 North Ervay Building.

This marks the sixth expansion of the Dallas office in the four year history of the firm, President Charles R. Scott noted.

The Ardmore office will be the company's sixth branch office and stems from a market survey showing the economic potential in that city, it will have a direct wire to the Dallas facilities. J. Dewey Clemens, Ardmore civic leader and veteran business man, will be manager.

Speer & Company

MONTCLAIR, N. J.—Armin Speer has formed Speer & Company with offices at 28 Stephen Street to engage in a securities business.

MUTUAL FUNDS

BY ROBERT E. RICH

Is Everybody Happy?

In an age when investment rewards have been not inconsiderable for those with an appreciation of the good life (bowling, boating, private planes, picture-taking, Florida land), it is interesting to reflect on the checkered career of a corporation that has stressed public pursuit of happiness for a half century. Unfortunately, the company rarely has been able to give much pleasure to stockholders.

Senior citizens will have no difficulty in recalling such cars as the Graham and Paige. In the years following World War II, Graham-Paige gave up the manufacture of pleasure cars and became a closed-end investment company. But even in its new guise, Graham-Paige never quite got over its fascination for leisure-time activities. It obtained control of a company called Royal American, which has a major stake in Florida land, and Madison Square Garden, the world-famed sports arena. The behavior of the stock and the absence of dividends have combined, however, to make the venture a grim experience for shareholders.

Last week, just the same, Graham-Paige was at it again. The sports-loving directors of its lean fortunes were bidding for a New York baseball franchise. As one unhappy stockholder lamented: "They're due for a hit."

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The investment community is thoroughly familiar with the longtime difference between Frederic W. Ecker, boss of the Metropolitan Life Insurance Co., and Carrol M. Shanks, chief of the hardly less mighty Prudential Insurance Co. of America. Mr. Ecker has never made any secret of his strong belief that common stocks do not represent proper investments for a life insurance company. A mere fraction of 1% of Metropolitan's more than $17 billion in assets is represented by common stocks—largely defensive American Telephone & Telegraph, at that. Some years ago Mr. Ecker took a dim view of even that equity that he said Metropolitan would sell rights to subscribe to additional shares of A. T. & T., which has advanced rather substantially in the intervening years.

The Pru's Mr. Shanks, on the other hand, believes stocks can go a long way to offset the erosion of insurance values arising from inflation and he is a strong advocate of variable annuities. His company has about 2.3% of its assets in common stocks.

Last week, a published report indicated that the men in the Executive Suite of this country's leading life insurance companies maintain a ratio of common stocks akin to the Pru's. With well over $100 billion stashed away in bonds and mortgages, the "life" companies could become a major force in the market if they were to be stirred by fears of a new inflationary spiral. The major beneficiaries? High-grade stocks. Even the firmest believers within the insurance fraternity in the principle of common stocks demand top quality. Besides, states such as New York set a ceiling on their common stock holdings and insist that purchases be made only in companies with excellent dividend records.

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While there are obviously two schools of thought within the "life" field on the subject of common stocks, the country's investment leaders (as distinct from the general public) are just about unanimous in agreeing that "life" stocks are choice investments. Indeed, investment leaders must lament the fact that many of the best companies in the field have no stockholding interests. Metropolitan and Pru, as an example, are mutually owned by their policyholders.

Life insurance stocks during the past several years have, on the average, easily outperformed industrial equities and many have outdistanced the Space Age favorites.

Over the counter and out of sight, they reflect a tremendous growth industry. At the close of World War II, life insurance in force totaled a little more than $150 billion. That figure now is well over a half trillion! Incidentally, rich insurance companies, like banks, are a substantial factor in the money-lending business. Hence, they've been important beneficiaries of rising interest rates.

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What's the difference between the amateur and the professional? The answer: The pro knows. The amateurs, reasoning that Chrysler was cheap—historically and statistically — have been buying the stock. Investment leaders — the pros—have been selling the shares. Indeed, Fundamental Investors has gotten rid of its 63,000 shares of the country's No. 3 auto maker while Diversified Investors dumped its 11,200 shares and Colonial Fund eliminated its 5,000-share interest.

Wall Street has been buzzing for weeks with talk that all was not well with Chrysler.

The Funds Report

Istel Fund, Inc. reports that at June 30 net assets amounted to $19,170,131, equal to $32.64 on each of 587,326 shares. This compares with $16,699,799 and $31.92 on each of 523,122 shares at the end of 1959.

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The Securities and Exchange Commission has approved a plan whereby **Madison Fund** may sell its majority interest in **Canton Co. of Baltimore**, which handles ore and general cargo along with waterfront terminal facilities. The approved plan would enable Northside Warehouse Corp., a subsidiary of International Mining Corp., to acquire the 433,195 outstanding shares of Canton common for $25 a share. The sale was subject to approval of the Federal agency because Madison Fund, which is registered under the Investment Company Act, owns 8.3% of the common stock of International Mining. The act forbids transactions between affiliates of registered investment companies unless specifically approved by the SEC.

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Southwestern Investors, Inc. reports net assets at June 30 totaled $2,562,570, or $13.87 a share, against $2,411,762 and $14.07 a share a year earlier. Shares during the year increased to 184,772 from 171,375.

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Gross sales of **Delaware Fund** shares in the first half of 1960 broke all previous records for the period, reports W. Linton Nelson, President of Delaware Management Co., Inc., national distributor and investment adviser for both Delaware Fund and Delaware Income Fund.

Totaling $11,880,154, they represent a 33% increase from the $8,928,544 in the first six months of 1959. Repurchases of Delaware Fund shares, meanwhile, dropped to $1,506,227, compared with $2,281,915 in the first half of 1959.

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Massachusetts Investors Trust reports a per share net asset value of $13.18 on June 30. This amount, together with a special capital gain distribution in February of 22 cents, is equal to $13.40. The net asset value a year ago was $13.98, and three months ago it was $12.68.

The total net assets on June 30 were $1,493,822,047, and there were 113,366,516 shares outstanding. On June 30 of last year, total net assets amounted to $1,539,750,862 and there were 110,150,489 shares outstanding. The number of shareholders increased during the 12-month period to 213,785 from 205,085.

During the quarter, the trust made a new investment in the shares of International Telephone & Telegraph Co., and increased its holdings in 23 other companies. The trust eliminated its investments in two companies in the agricultural equipment industry, and reduced its commitments in 14 others.

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Abacus Fund, closed-end investment company, announced net asset value on June 30 was equal to $44.25 per share, the highest figure reported since Abacus Fund came into existence in mid-1957. Net assets of $37,869,286 compare with $37,016,012, or $43.25 per share at Dec. 31, 1959 and $36,514,064 or $42.67 per share at June 30, 1959.

The six-month period net income from investments equalled $498,426, or 58 cents per share; net realized gain on investments was $649,712 or 76 cents per share and net unrealized appreciation decreased $103,404 or 12 cents per share after allowing for distribution of $139,051, or 16 cents per share of unrealized appreciation included in the value of the dividend paid on June 23, 1960.

* * *

Combined net operating income of **Investors Diversified Services, Inc.** and its wholly-owned subsidiaries for the first half of 1960 amounted to $7,801,126 or $5.37 per share, compared with $7,741,655 or $5.32 per share for the same period of 1959.

No net gains were realized from sales of investments in the 1960 period, while 9 cents per share was realized in the comparable period last year.

Total net earnings, including net gains on sales of investments, was $5.37 per share in the first half of 1960, compared with $5.41 per share in the first half of 1959.

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The pattern of change for investment assets of **Whitehall Fund, Inc.,** the balanced mutual fund of the Broad Street Group, during the second quarter of 1960 was "one of relative stability in comparison with stock prices in general," according to the fund's mid-year report to shareholders. Assets per share were equivalent to $12.48. This was up from $12.24 three months earlier and 1.3% below the $12.95 reported at the start of 1960.

Net assets totaled $11,771,246 at June 30, compared with $11,534,152 at March 31.

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Net assets of **The Fully Administered Fund** increased from $10,714,100 on Dec. 31, 1959 to $11,004,400 on June 30, according to Herbert R. Anderson, President of Group Securities, Inc.

The June 30 assets equaled $9.16 a share compared with an asset value of $9.26 a share on Dec. 31.

Mr. Anderson reported that the proportion of the Fund's assets in common stocks remained steady during the six months: 69.3% on Jan. 1, 69.7% on July 1; holdings of government bonds and cash decreased from 8.7% to 7.1%; and corporate bonds increased from 22% to 23.2%.

* * *

Net assets of **General Investors Trust** reached a record period-ending total of $11,665,345 on June 30, for gains at 16.7% in six months and 35.2% in 12 months. New high total compared with $10,004,073 last Dec. 31 and $8,590,387 on June 30 a year ago. G.I.T.'s per share value on June 30 came to $6.84. Adjusted for a 36-cents per share capital gains distribution earlier in the year, it was the equivalent of $7.20 on that date, compared with $7.19 on Dec. 31, 1959. The fund's per-share value June 30 a year ago came to $7.39.

* * *

Mutual Funds Management Corp. Ltd. reports that at June 30 total net assets were $22,528,419, equal to $6.81 on each of 3,304,654 shares. This compares with $21,751,505 and $7.64 on each of 2,848,306 shares a year earlier.

* * *

Century Shares Trust reports net asset value of each share on June 30 was $8.78. This amount together with the capital-gains distribution of 26 cents a share paid on Feb. 1 is equal to $9.04 a share. This compares with corresponding net asset value of $8.92 a share a year earlier.

Eddy, Director of Dominick Fund

Charles B. Eddy, Jr., a Vice-President of Chemical Bank New York Trust Company, has been elected a director of The Dominick Fund, Inc., according to an announcement made by A. Varick Stout, President.

Charles B. Eddy, Jr.

The Dominick Fund is a closed-end investment company managed by Dominick & Dominick. Its shares are listed on the New York Stock Exchange.

Reeves Broadcast. Stock Offered

Public offering of 300,000 shares of Reeves Broadcasting & Development Corp's common stock at a price of $5 per share was made on July 26 by Laird & Co., Corp. and associates. The offering marks the first public sale of the company's common stock.

Net proceeds from the financing will be used by the company to pay in full promissory notes payable to Grace National Bank of New York, and the balance of the proceeds will be added to the company's general funds and used for various corporate purposes.

Reeves Broadcasting & Development Corp., with headquarters in New York, was organized under the laws of the State of Delaware on Feb. 15, 1960 for the purpose of acquiring by merger the assets of Reeves Sound Studios, Inc., Reeves Products, Inc. and Southern Broadcasting Co. Reeves Sound Studios, a pioneer in its field, has been in the business of furnishing sound recording services and facilities to the phonograph record, radio, and industrial, theatrical and educational motion picture industries, and for the television industry since its inception. Reeves Products is engaged in developing motion picture films and sound tracks for the television, motion picture and other industries, and particularly has rendered such services in connection with and as a supplement to services rendered by Reeves Sound Studios. Southern Broadcasting Corp. operates television broadcasting facilities in Charleston, South Carolina, and the company has two real estate subsidiaries, Braemar Corporation and North Pimlico Corporation, which own and operate properties in the Charleston area.

Upon completion of the current financing, outstanding capitalization of the company will consist of 1,408,893 shares of common stock, $1 par value, and $866,783 of sundry debt.

New duPont Offices

Expanding its nationwide network of security and commodity brokerage offices to 77, Francis I. duPont & Co., members of the New York Stock Exchange, has opened two new offices in Boston, Mass. and Houston, Texas, it is announced by A. Rhett duPont, senior partner.

Sydney Parlow, Swampscott, Mass., associated with the securities field in Boston for the past ten years, is manager of the new Boston office at 80 Federal St.

Nathanield Ware, prominent in Houston investment circles, is manager of the new office there in the Texas National Bank Bldg.

NSTA NOTES

JOIN NSTA HALF-PAGE CLUB

Harry L. Zeeman, Jr.

A salute to William "Ham" Gregory, III, Gregory & Sons, New York City, and Harry Zeeman, Carl Marks & Co., Inc., New York City, who have evinced their usual splendid support of the National Security Traders Association Convention Supplement by renewing their half-page advertisements.

Wm. H. Gregory III

NSTA Convention Schedule

The National Security Traders Association has announced the program and special train schedules for the 27th annual convention to be held Sept. 11 through Sept. 14 at Sun Valley.

PROGRAM

SUNDAY, SEPTEMBER 11
- 12:00 Noon Registration
- 3:30 P.M. Sand Painting Exhibition
- 6:30 P.M. President's Reception
- 8:00 P.M. Dinner
- 9:00 P.M. Dancing

MONDAY, SEPTEMBER 12
- 8:30 A.M. Past Officers' Breakfast
- 10:00 A.M. National Committee Meeting
- 11:30 A.M. Municipal Forum
- 1:00 P.M. Luncheon for Ladies and Gentlemen
  Speaker: Mr. George Romney
  President, American Motors Co.
- 6:00 P.M. Cocktails, Trail Creek Cabin
- 7:00 P.M. Barbecue, Trail Creek Cabin
- 9:00 P.M. Dancing

TUESDAY, SEPTEMBER 13
- 8:30 A.M. Breakfast for Presidents of Affiliates
- 9:30 A.M. Golf Tournament, Tennis, All Sports, Chair Lift Ride
- 1:00 P.M. Luncheon and Fashion Show for Ladies and Gentlemen
- 5:30 P.M. Ice Skating Costume Party
- 6:30 P.M. Cocktails
- 7:30 P.M. Buffet Dinner
- 9:00 P.M. Ice Skating Exhibition

WEDNESDAY, SEPTEMBER 14
- 9:30 A.M. National Committee Meeting
  Election of Officers
- 12:00 Noon Ladies' Luncheon at Redfish Lake
- 4:00 P.M. Bridge Tea
- 7:00 P.M. Reception
- 8:30 P.M. Dinner and Presentation of Officers
  Dancing

Details of Bowling Tournament for Individuals and Teams will be announced later.

Frank "Pancho" Willmarth, the well-known Caricature Artist who was present at our 1953 Convention at Sun Valley, will be with us again for two days this year.

Daytime dress at Sun Valley is informal. Sports attire, swim suits, sun clothes, bermudas, levis (for horseback riding) is the thing.

A warm wrap is recommended for outdoor dining or walking around Sun Valley village in the evening.

The cost of the All Expense Trip, which includes Round Trip Rail and Pullman, all meals on the train and transfers of individuals and baggage between hotel and train, will be approximately (Federal Tax included):

To Sun Valley Returning Direct

From	Two in Bedroom Each	Two in Compartment Each
Chicago	$205.00	$210.00
New York	375.00	380.00
Philadelphia	360.00	365.00

To Sun Valley Returning via Portland and Seattle

From	Two in Bedroom Each	Two in Compartment Each
Chicago	$300.00	$305.00
New York	465.00	470.00
Philadelphia	450.00	455.00

Hotel rooms at Sun Valley, also at Seattle, *have not* been included in the All Expense costs.

All single rooms and minimum rate suites will be at the Challenger Inn. There will be a limited number of suites only at the Lodge.

On the Family Plan for man and wife the cost will be about $50 less for the wife from New York and Philadelphia. Family plan will not apply west of Chicago.

Suites at Sun Valley are limited both in size and number. Those who wish to host cocktail parties may want to use the following facilities:

Redwood Room will accommodate 250 persons; Duchin Room will accommodate 100 persons; Ram will accommodate 100 persons; Lodge Ski Room will accommodate 40-50 persons; Trail Creek will accommodate 100 persons inside (approximately one mile from the Lodge).

For reservations, those planning to attend should communicate with:

James B. MacFarland, Stroud & Co., Philadelphia, Pa.
Casper Rogers, Casper Rogers Co., New York, N. Y.
Edward H. Welch, Sincere and Company, Chicago, Ill.

SPECIAL TRAIN SCHEDULE TO SUN VALLEY
NSTA 27th Annual Convention

(All Time Shown Is Standard Time
Not Daylight Saving)

Thursday, September 8, 1960

5:00 P.M.	Leave New York	Pennsylvania RR.
6:21 P.M.	Leave North Phila.	Pennsylvania RR.

Friday, September 9, 1960

8:00 A.M.	Arrive Chicago	Pennsylvania RR.
10:00 A.M.	Leave Chicago	Milwaukee RR.
7:00 P.M.	Leave Omaha	Union Pacific

Saturday, September 10, 1960

1:00 A.M.	Leave Cheyenne	Union Pacific
3:30 P.M.	Arrive Sun Valley	Union Pacific

RETURNING

Thursday, September 15, 1960

8:30 A.M.	Leave Sun Valley	Union Pacific
10:15 P.M.	Arrive Cheyenne	Union Pacific

Friday, September 16, 1960

6:45 A.M.	Arrive Omaha	Union Pacific
3:45 P.M.	Arrive Chicago	Milwaukee RR.
5.45 P.M.	Leave Chicago	Pennsylvania RR.

Saturday, September 17, 1960

11:38 A.M.	Arrive North Phila.	Pennsylvania RR.
1:45 P.M.	Arrive New York	Pennsylvania RR.

Optional Side Trip to Portland and Seattle

Thursday, September 15, 1960

10:40 A.M.	Leave Sun Valley	Union Pacific

Friday, September 16, 1960

5:30 A.M.	Arrive Portland	Union Pacific
	Sleepers may be occupied until 8:00 A.M.	
5:30 P.M.	Leave Portland	Northern Pacific
9:30 P.M.	Arrive Seattle	Northern Pacific

Monday, September 19, 1960

3:30 P.M.	Leave Seattle	Milwaukee RR.

Wednesday, September 21, 1960

1:25 P.M.	Arrive Milwaukee	Milwaukee RR.
2:55 P.M.	Arrive Chicago	Milwaukee RR.
4:00 P.M.	Leave Chicago	Pennsylvania RR.

Thursday, September 22, 1960

7:03 A.M.	Arrive North Phila.	Pennsylvania RR.
8:30 A.M.	Arrive New York	Pennsylvania RR.

Reservations should be made as early as possible with Earl A. Hagensieker, Secretary of NSTA, Reinholdt & Gardner, St. Louis. Check for Registration Fee ($50 for members; $65 for nonmembers; $65 commercial; $40 for Ladies) should accompany the reservation.

The Convention Committee suggests to those traveling to Sun Valley by plane that at the time they make plane reservations they also make reservations for a rental car through the airline to be ready at Boise on their arrival.

Hertz and Avis Rental Cars are available at Boise Airport. Hertz cars may be turned in at Sun Valley Garage; however, a turn-in charge of $15 will be made.

Avis cars may not be turned in at Sun Valley Garage. Rates are the same for both—$10 per day plus 10 cents per mile. Distance, Boise to Sun Valley, 185 miles.

Union Pacific has two trains from Boise to Shoshone where connection is made with Sun Valley bus. Trains leave Boise at 12:35 P.M. and 11:40 P.M. Bus arrives Sun Valley 5:35 P.M. and 3:55 A.M. Fare $5.96.

There will be golf, tennis and bowling tournaments as well as other sports available for those attending the Convention.

CHAIRMEN INDIVIDUAL EVENTS

Chairman: Sidney J. Sanders, Foster & Marshall, Seattle.
Women's Division: Claire B. Sanders, Foster & Marshall, Seattle.

CHAIRMEN INDIVIDUAL EVENTS

Golf: Taylor Patten, Blyth & Co., Inc., Seattle.

Bowling: Robert Diehl, Paine, Webber, Jackson & Curtis, Los Angeles.

Tennis: William H. Gregory, Jr., III, Gregory & Sons, N. Y.

Hunting & Fishing: Hugh Schlicting, Wm. P. Harper & Son & Co., Seattle.

Ice Skating Costume Party: W. J. Zimmerman, Bingham, Walter & Hurry, Inc., Los Angeles.

Fashion Show: Mrs. Helen Burke, May & Gannon, Inc., Boston; Mrs. John O'Rourke, J. P. O'Rourke & Co., Chicago.

Special Activities: Leslie Howard, J. S. Strauss, San Francisco; Derele Swails, Geo. Patten Co., Portland; Preston Phipps, June S. Jones Co., Portland; Dan V. Bailey, Foster & Marshall, Portland.

Fund Sales Up From May Total

Investors purchased $178,013,000 of mutual-fund shares in June, an increase over May purchases, which totaled $159,620,000, according to the National Association of Investment Companies. Purchases in June a year ago amounted to $181,577,000.

The NAIC has 158 mutual-fund member companies and 26 closed-end investment company members. These companies have some 4,500,000 shareholder accounts, representing more than 2,100,000 shareholdrs, individual and institutional, many of whom have more than one account.

The mutual-fund members of NAIC had combined assets of $16,096,613,000 on June 30, compared with $15,765,214,000 at the end of May. Total assets of 155 mutual fund members on June 30, 1959, was $14,971,906,000.

Redemptions of shares in June totaled $85,436,000, compared with $71,402,000 in May and $70,194,000 in June of last year.

Accumulation plans for the purchase of mutual-fund shares continue to attract investors at the rate of more than 30,000 a month, NAIC reported. In June, 30,163 voluntary and contractual accumulation plans were opened for the purchase of shares on a periodic payment basis. This compares with 32,720 in May and 30,137 in June, 1959.

Chi. Mus. Instr. Stock Offered

Public offering of 260,000 shares of common stock of Chicago Musical Instrument Co. (Chicago, Ill.) was made July 27 by an underwriting group headed by Smith, Barney & Co. The stock was priced at $20 per share. The offering makes securities of Chicago Musical Instrument Co., organized in 1920, available to the public for the first time.

Of the shares offered, 40,000 shares are being sold by the company and represent new financing and 220,000 shares are being sold by a number of stockholders to diversify their investments and to plan for the ultimate impact of gift, estate and inheritance taxes.

Capitalization as of April 30, 1960, adjusted to reflect issuance of the 40,000 shares, consisted of 714,025 common shares and $1,325,699 long-term notes of the company and consolidated subsidiaries.

The company is a manufacturer and distributor of musical instruments. Its principal products include the Lowrey line of electronic organs; the Gibson line of guitars, other fretted musical instruments and electronic amplifiers; and the Olds line of band instruments. It also is one of the large domestic importers of accordions, and a distributor of violins and other stringed orchestral instruments. The company's products are sold by more than 4,000 dealers throughout the United States and Canada, as well as to markets in other countries throughout the world.

Consolidated sales during the year ended April 30, 1960 totaled $22,253,883 and net income was $1,327,231, compared with $19,057,496 and $1,081,261, respectively, in the year ended April 30, 1959.

Named Controller of Donaldson, Lufkin

Eugene J. Messenkopf on August 1 will become controller and a holder of voting stock in Donaldson, Lufkin & Jenrette, Inc., 51 Broad Street, New York City, members of the New York Stock Exchange.

A Professional Blueprint for Portfolio Management

Continued from page 1

tric, Eastman Kodak, American Home Products, International Business Machines, Minnesota Mining and Minneapolis Honeywell—all pretty high grade situations — would have resulted in average gains of about 1400%, taxable at most at 25%, or over 1000% after taxes. This is in excess of a 25% compounded annual return. Even if these stocks were selling at half of their present prices, the average gains would be nearly 500% after taxes. How can interest or dividend income compete with this?

Yet we must also understand that the object of investment of principal is to produce income. If an investment does not produce current income or promise future income, it has no principal value. Let us look at those six stocks. At present prices, they yield less than 1¼% and capitalize earnings some 40 times. But at 1949 prices, present dividends yield about 17% and present earnings are capitalized less than 3 times.

I think a fair analogy is this: principal is to income as virtue is to happiness. If we concentrate on virtue, we can hope for happiness as a by-product. If we concentrate on principal, both its growth and safety, we are choosing the course which will best assure future income. Concentration on principal values is another way of saying concentration on future returns — whether one is thinking of the safe return of principal on a bond or of the growth of earnings and dividends in a stock. This I think is the real secret, concentration on future results as far as one can realistically look ahead.

III

Choosing a Stock Portfolio

I will try to cover a number of points briefly:

Emphasis on long term prospects brings the best results—short term or long term. At the Trust Company we periodically prepare a list of relatively attractive stocks, usually numbering 30 to 35, out of the considerable larger number that we are willing to buy. This list is prepared informally but carefully for the guidance of our account executives. We find that the less we put our minds on stocks that look temporarily cheap and on short term results, the more we concentrate on the longest period ahead that we can judge, the better do our results become—usually including our short term market results. For example, taking our recent record, we are naturally pleased that our choices of stocks since last October—when we started keeping account of this—have done considerably better than the recognized stock averages. The stocks that have contributed most substantially are those bought for the longest term results: stocks like Eastman Kodak, International Business Machines, Philips Lamp, General Telephone, Vick Chemical, Minnesota Mining, General Foods, American Express, Texas Instruments, Litton Industries, Haloid Xerox, Universal Match, Houston Lighting, Southern Company and Florida Power and Light. Where we succumbed to high current income as in CIT or Rochester Gas and Electric, our results have been mediocre. If we said: let's pick an automotive stock because 1960 will be a good year—we will sell before the others—our results were particularly poor.

Consider the investor who says: I am retired, I have no family, —no plowback stocks for me—I want my dividends and results now and in the near future. Buy me the income utility or that high income rail. Will he be well served? At any given time he will have his dividends received plus his principal values. But his principal values—with their changes or 10 or 15 or 50 or 100% or more are going to be a lot more important than the difference of 2 or 3% in dividends. Just take those stocks we selected last October. Philips Lamp has advanced the most, over 100%. Goodrich has declined the most, over 20%. This means that the Philips Lamp investor has $250 in market value for every $100 for the Goodrich investor—and continues, I believe, to have better prospects. These are short term results from looking for the superior long term prospects.

Or take the investor who looked over the Dow Jones stocks back in December 1949 and decided that Chrysler's 9% yield was more attractive than Eastman Kodak's 4%. The Chrysler investor has lost over 25% of his market value while the Eastman investor has increased his by 700%. The Eastman investor now has over $1,000 market value for each $100 for the Chrysler investor—as well as having a 12% dividend return on his purchase price versus 1½% for the Chrysler man. It has been the Eastman investor who actually obtained the 9% yield—and more.

But how do we judge the long term prospects? Naturally we are looking for industries with excellent prospects for sales growth, not beset with oversupply or other factors depressing profit margins, and for companies in these industries with excellent management. We find ourselves investing mainly in the attractive industries, such as electrical and electronic equipment, growth utilities, drugs, office equipment, photographic and reproduction, and other labor saving devices; but in the final analysis we are picking companies, especially as many do not fall neatly into an industry pattern. Does General Foods specialize in foods or labor saving? Is it the insurance plus that tips the balance in favor of Sears Roebuck? How do we classify American Express? We did not pick Minnesota Mining as representative of an industry. Why is General American Transportation, generally classified as a railroad equipment, so successful?

An industry or company with attractive prospects is not sufficient. The method of financing—particularly the plowing back of earnings — is usually a decisive factor. Take the electric utilities: the difference between Florida Power and Light's more than 250% growth in earnings per share since 1949 and Southern California Edison's 30% growth results from several factors, but the biggest factor is the Florida company's ability to finance its equity needs largely out of plowed back earnings.

So we must judge future sales prospects, profit margins, management, plowback—and we must estimate from these factors both the potential and the risk. For this there is no real short cut: research must be well equipped and must dig hard; extensive field work and management contacts are required; experienced judgment to use this information is essential.

Can past market action help us? To a limited extent—yes. Experience shows that a stock that has acted well in the past is more likely to act well in the future than one which has been acting poorly. If one looked at the relative market action of International Business Machines and XYZ office equipment and knew nothing else about the companies—and picked IBM on the basis of market action—one would probably be right. Trends — usually being dependent on inherent conditions—have a certain persistence, adverse trends even more than favorable ones.

However, such past market trends we can use only as suggestions. They will not be reliable in forecasting future results. Some trends are soundly based, others not. Conditions—even those that persisted over a long period—can change drastically. The can industry was outstanding for growth before World War II, but well below average since 1950. The steel industry, on the other hand, changed its profit conditions for the better at about the same time. The oil industry, long the giant of successful investment, came to a significant turn in its affairs three years ago. The insurance industry, for so long so outstanding, has come upon more competitive times. The paper industry, pre-war cut throat, postwar steady growth, has for the most part settled down to competitive humdrum conditions. Trends do have a certain persistence, but they are nevertheless dangerously fickle. So we are thrown back on our own hard digging and on our persistence and judgment in visualizing the futures of industries and companies.

Furthermore, we run into the danger of over enthusiasm regarding favorable trends. It is fine to rely heavily on plowed back earnings and growing sales and profits. But in the practical investment world we measure our results to a large extent by market action—by long term market action if we are wise—but still by market action. What if our favorite company has doubled its earnings but multiplied its price by five. What if it is capitalizing the compounded potential of 1965 but taking the inevitable risk element very little into account. We are faced with this problem right now, and the answer is not easy. However, I am confident about where the answer does not lie—it does not lie in buying industries and companies with second and third rate prospects because their stock prices look relatively cheap.

We are looking for future returns and potentials, but with strength and quality of conditions taken into consideration. In our appraisal of future returns, we emphasize both potential and security. The potential of an IBM or Texas Instruments is our first consideration. But we must also judge the degrees of certainty that the potential will be reached and the degree of risk that a drastic change in prospects may occur. While we are not price conscious in the sense of looking for historical cheapness, nevertheless it is obvious that price must bear a satisfactory relationship to potential and to risk. So today we should look hard at the price of a Polaroid. We should give favorable attention to those companies with slower but solid prospects of expanding earnings with a high degree of certainty—selected companies in the food industry, in retailing, and not excluding American Telephone.

And it has seemed to us that substantial attention should be given to the stocks of leading foreign companies in the common market countries and in parts of the British Commonwealth; not only Philips Lamp, but Hoogovens—the low cost Dutch steel company, Broken Hill—the still lower cost Australian steel company—both with well protected and growing markets, the leading West German chemical companies, and many others. These countries are growing more rapidly than we, being earlier on the road we have travelled; their costs are lower; their financial markets and corporate policies are just recently moving toward ours; the stocks are generally cheaper; and internationally speaking we all seem to be in the same boat together. Accurate information has been hard to obtain, but the Dutch have led the way, the Germans are following and we are working hard at our sources of information.

A word is due on diversification of the stock portfolio. We should have some diversification to reduce unnecessary risk, but we should not overdo it. The best results on any long term portfolio at the Trust Company are in that trust received in the 20's entirely in IBM with no power of sale. When we receive a portfolio of stocks, our early reviews are very little concerned with diversification; they are concerned with the investments we consider unattractive or unsuitable. The more we like a stock, the more willing we are to have too much of it. Nevertheless, while we know that we cannot have too much of the right stock, we do normally diversify among a reasonable number of issues. We have a high opinion of quite a few companies. Each field has its peculiar risks. In human terms, a good investment result with security is more important than maximizing profits.

Finally, a word on respectable stocks with mediocre prospects. These are the prime enemy of good results among experienced investors. The experienced investor will not have much trouble with bad stocks. The problem is usually inertia and a portfolio with substantial holdings of respectable tired old blue chips that provide a good current income and may show a substantial capital gain over original cost. These holdings must be attacked with discretion but with energy.

To sum up on choosing a stock portfolio: look to long term results, not short-term; rely on hard research and hard experience; observe trends, but do not rely on them; consider price, but not too much; diversify reasonably; avoid mediocrity.

IV

Determining Bond Proportions, Types and Maturities

How do we determine the proportion of fixed income securities and cash or equivalent?

The first question here is why this proportion should be above that needed for liquid reserves for emergencies. We expect that the economy will continue to grow, that some inflation is more likely than deflation, and that our equity choices will be above average. Are not well chosen equities always the most productive investments over the long term? Does not this outweigh immediate cash income requirements except in trusts where there is a legal separation of principal and income?

The next question is this. Is not our fixed portion — over and above emergency reserves — primarily a buying reserve for equities? The answer I think is essentially no, except for quite short term reserves desirable as we pursue a buying program, delay to develop our best equity ideas or hold back pending the settling of some acute emergency. A permanent reserve is certainly not a reserve at all, but instead is like the last taxi that could not take an eager fare because of the rule that one taxi had always to stay at the stand—as a reserve.

But what of an intermediate reserve to take advantage of an expected 10 or 20% decline in the stock market? This concept I believe to be of no value whatever. We cannot predict such a decline with any certainty. If we hold stocks with attractive long term prospects, they may well be higher not lower, after the expected decline. And we will not know when to get back in. So our fixed income portion is not best thought of as a reserve.

What, then, are the functions of the fixed income portion?

First, it is insurance: insurance against some drastic upset in the economy or in the state; insurance against the end of an era in which equities have enjoyed satisfactory conditions and the possible coming of an era in which they will not.

Second, it is to help us sleep at nights. In human terms the protection of our basic needs is more important than maximizing investment returns.

Third, it is to produce an investment return with a high element of safety — not ignoring the fact that any inflation will cut sharply into this return. A good bond income does not compete very well against attractive equities. However, as equities become higher priced relative to values, their income potential declines and the risk element increases. A bond's return and safety them become substantially more attractive, particularly a tax exempt return to an individual investor. The rise in equity capitalizations of earnings and dividends and the higher prevailing interest returns have not yet in my opinion swung the balance decisively in favor of bonds; but they have certainly narrowed the margin of equity attractiveness and have made any degree of security that seems desirable in individual portfolios much less costly to obtain. For these reasons, even though we are fairly optimistic on the economic outlook, we believe that bond proportions should be higher in individual portfolios than a few years ago.

As to types of fixed income securities, tax exempts generally have the most to offer in the present market to individuals in a Federal tax bracket above 30%. In our choice of bonds, competent research enables us to buy sound issues which are rated less than AAA. Corporation and government bonds are used in low bracket portfolios. Short Treasuries are frequently used for short term funds, and discount Treasuries are sometimes attractive to individuals. Preferred stocks are used sparingly, if at all, since they are relatively high in price due to their tax advantage to corporate holders. Convertible bonds and preferreds sometimes offer to individuals an attractive combination of a good equity with safety. However, unlike institutional investors, the individual is frequently not interested in the corporation bond or preferred and will generally either buy the equity or avoid the situation. Foreign bonds, International Bank bonds, commercial paper and bankers acceptances offer tax advantages to foreign investors. Obviously, the type of fixed income security depends primarily on the tax situation.

As to selection of maturities, we recommend balanced maturities, particularly in tax exempts, generally on a scale of 1 to 15 or 1 to 20 years. Our objective is to provide greatest safety with reasonable return. When yields were low, we emphasized the shorter maturities. When they are higher, we emphasize the intermediates, i.e., the longer end of our maturity scale. However, even today we try to avoid stretching our maturities too long for two reasons: first, we expect good enough results from our equity holdings to minimize the need, except in trusts requiring full cash income, for reaching for extra bond income; and second, we belive that the demands upon the country's capital resources and the need to protect the dollar are going to keep interest rates in a fairly high range for some years to come.

Conclusion

To sum up these comments briefly:

(1) When investing for the individual we must take account of taxes, personal needs and personal characteristics.

(2) We must concentrate on principal values first, current in-

come only second, in order to best assure both principal and income results.

(3) In choosing a stock portfolio, we must concentrate on long term results.

(4) In determining fixed income and cash proportions, we must recognize the sacrifice of potential and then seek that amount of insurance and extra security which the human needs and the investment situation suggest.

*An address by Mr. Goodrich at the Tenth Annual Forum on Finance, Graduate School of Business Administration, New York University, New York City.

How Commercial Banks Can Cash In on Modern Research

Continued from page 12

search activities, they are well aware of how valuable it is.

Individual Bank Research

There is also the important area of individual research, conducted by banks themselves. Until comparatively recent years most banks have ignored the time honored advice of Socrates to "know thyself". In banking this means knowing one's customers because the customers of the bank are an integral part of it, so that for a bank to "know itself" it must of necessity know something about the people who make its business possible. To test the matter of whether we know ourselves adequately let us ask ourselves a few questions: How many of us know the characteristics of our customers by age, sex, place of residence, income level and general financial position? How many of us know what proportion of our customers are going elsewhere for a service which we could just as well render? How many of us know even the principal reasons why our customers choose to do business with us rather than someone else? If the answer to any of these questions is negative, then we need to conduct market research at the individual bank level.

About five years ago we, at Manufacturers Trust Company, decided that we needed to know more about what the public, both customer and non-customer, thought about us and the service we were rendering. We wanted to know where we were right and where we were wrong. In order to find out, we retained Alfred Politz, Inc., a market research organization, and the results of their survey were most interesting and, in some instances, surprising.

Results of Manufacturers Trust's Survey

I will first summarize some of the things we found out and then tell you what we did about them:

(1) Our belief that convenience of location was by far the most important reason why people choose a particular bank was amply confirmed. About 72% of the respondents gave this as their reason.

(2) Next in importance was courteous and friendly treatment by the bank's personnel, a reason given by about 21% of those who answered.

(3) The same ratios, in general, applied to people who had changed their banks in the two preceding years. It was indicated that the number of people who changed banks because of what they considered poor service or discourteous treatment was more than **five times** the number who changed because they thought service charges were too high.

(4) Some 41% of our customers also dealt with some other bank; slightly less than half of them dealt with another commercial bank, and slightly over half with a mutual savings bank. The probable reason for the latter was the high rate of interest paid on savings by the mutuals.

(5) 57% of the respondents wanted evening banking hours; Friday was the preferred day, but the second choice was Monday, when 72 of our branches are open from 6 to 8 p.m.

(6) So-called "white collar" workers tend to bank near where they work, and "blue collar" workers near their homes. Perhaps this may be only a reflection of the fact that banking facilities are relatively scarce in industrial areas of cities.

(7) Only 16% said that bank tellers greeted them by name; 80% said they were not, and 4% couldn't remember. This may be a rough indication of the friendliness of our contact personnel.

(8) The same proportion—16% —said they knew someone at their bank. Perhaps this ratio would be much higher in a smaller community than in a large city, but it is something for all of us to think about.

(9) 64% of the respondents recalled that they had seen or heard some bank advertising, but about half of them couldn't remember which bank it was. This indicates that the public is not as "name conscious" about banks as we had supposed.

(10) Only about 18% of the public seemed ready for the idea of instalment loans to pay vacation expenses so as to avoid drawing on their savings. On the other hand, a majority thought it was quite all right to borrow to buy an automobile or pay for home improvements.

(11) Television was indicated to be the strongest advertising medium in terms of recollections by the respondents. I realize that the high cost of television advertising excludes it as a medium for the small independent bank, but thought that you should nevertheless have this observation.

Now this is what we did to "cash in" on the lessons we learned from market research: We decided to do something to improve the courtesy and friendliness of our employees toward customers. To that end, we gathered as much information as possible about the things which had been done which tended to irritate and annoy customers and would-be customers who come into the bank. Once this had been done, the remainder of the problem was largely a matter of communication.

What a Film Can Show

Our studies indicated that the sound film was by far the strongest medium of communication with our employees, and the decision was made to produce one. However, it was realized that the film, alone, would not do the whole job. No matter how strong an impression may be, it tends to fade with the passage of time. To provide the necessary "follow-up," a series of monthly discussion group meetings at each banking office under the leadership of the officer in charge, in which all employees having contact with the public were required to participate, was made a part of the program.

The film itself was produced by a professional organization under the supervision of a committee of bank officers. The script was based on incidents which actually occur in branch offices, but the treatment is based upon the time-honored psychological concept that few of us can "see ourselves as others see us." It shows tellers, guards, officers and other employees going through their day's work as it seems to them, and then, through a "flashback" device, how it looks to the customer and what goes on in his mind as a result of careless, indifferent treatment by the employee. Then follows another sequence in which the "right way" is shown in contrast to the preceding "wrong way," together with another "flashback" showing how the correction in the employees' conduct creates a warm feeling of good will in the minds of the customers, which also spreads to their friends and helps build business for the bank.

While we had thought of our customer relations training film as solely an internal matter, we had a surprise coming. As word got around among our correspondent banks, we were deluged with requests to borrow the film. So great was the demand that we were compelled to order 30 prints of it, all of which were in circulation for a considerable period of time. We received and honored over 500 requests for the film from correspondent banks throughout the United States and from English-speaking countries abroad. Recently we received a request for a copy of it from the film library of the J. Arthur Rank Organization in Great Britain.

What were the results? Frankly, they are difficult to measure, but as one tangible indication, the number of customer complaints reaching official levels during the first 12 months after the film was shown to our employees dropped 32% from the preceding year. What we gained in intangible benefits can only be guessed.

In addition to our improved knowledge of the importance of courteous and friendly treatment of customers, we learned some other things which influenced our policies:

(1) We made changes in our advertising media.

(2) We stopped advertising loans for vacation expenses.

(3) We expanded our Monday evening banking hours program.

4) We revised our advertising in such ways as to integrate the name of our bank so closely into the copy that it would be difficult to confuse it with that of any of our competitors.

What effect did all this have on our earnings statement and balance sheet, you may ask. The only answer is that, frankly, no one knows. The factors that affect bank earnings are so numerous and complex that the effects of any single one can scarcely be isolated. All of us know that interest rates have gone up during the last five years, and that alone would account for the increase in our earnings. We know that we have improved our share of the total deposits of banks in the New York City market—not as much as we would have liked, but nevertheless we have gone forward and not backward. We also have improved our percentage share in the instalment loan business in the New York City market somewhat — nothing spectacular, but a gain is better than a loss.

Banks Have Neglected Public Relations

These consequences point a moral, if you want to call it that. Research is not a "miracle drug" —so please don't expect too much from it right away. Banking has neglected its public relations, including its customer relations, for so many years that we cannot expect a cure overnight. If you have decided that research is a good thing for your bank, don't imagine for a moment that one survey is going to solve all your problems. One might paraphrase a famous quotation from Alexander Pope:

"A little research is a dangerous thing. Drink deep, or touch not the Pierian Spring."

In less poetic language, if you are going to engage in research, halfway measures are a waste of time and money. Do it thoroughly and keep it up, if you expect it to yield worthwhile results, and remember that the results are not going to show up next week or next month.

There is still an area of research that I must confess our bank has not yet explored. That is the analysis of one's own customers. In the average bank a substantial portion of one's customers are savings depositors. The importance of savings deposit in Kansas, for example, is illustrated by the fact that commercial banks at the end of last year held over $455,000,000 of them, according to the F.D.I.C. report. How many of us can truthfully say that we know more than a very small percentage of our savings depositors? How many have the up-to-date addresses of the remainder of them? If we would cultivate our savings customers for checking accounts, instalment loans, safe deposit boxes, etc., how are we going to communicate with them if we don't know where they live and who they are?

Most of us have competition from savings and loan associations, as well as credit unions and finance companies, and, with competitors paying higher rates for savings, why do so many depositors stay with us? There must be some reasons, and research is the only way we can find out. If we find out why certain people choose to leave their savings with us in preference to competitors who pay higher rates, wouldn't that be valuable information in guiding our business development efforts? Couldn't we do a better job if we could substitute facts for guesswork?

We know from published statistics that savings is one of the areas of serious erosion of our business, and it is easy to say that certain other types of competing organizations have the "inside track" from the standpoint of taxation and freedom from "ceilings" as well as more liberal lending and investment policies which do not have to take account of demand deposit liabilities. But as an offset to these advantages, we can offer the saver a number of other services which our competitors cannot render. This is the real meaning of a "full service bank."

Providing Services at Lower Cost

There is still another area in which research can be most useful and profitable to us. That is the area of services which the public is now obtaining from nonbanking sources but which we could render at lower cost and usually faster than others can. One doesn't learn about these opportunities through opinion polls or direct market research. If you ask John Doe what additional services he would like from his bank, he will either say that everything is all right as it is or else come up with something impractical like a telephone call if his balance isn't sufficient to cover an incoming check. One must study situations like the one presented by the money order business some eight or 10 years ago. The post-office money order is traditional, and hundreds of thousands of people stood in line to buy millions of money orders every year at prices which were far above those which a bank could charge and still earn a profit.

Late in 1952 our bank started the sale of so-called Register Check Personal Money Orders. Initially the fee was 15 cents per order, for any amount up to $250, which, except for very small amounts, was considerably less than the post office fee. Our sales volume rose rapidly, so that by 1958 we were selling nearly two million money orders a year. Last year we raised the fee to 20 cents and volume dropped off only slightly. This means nearly $400,000 a year in additional gross income for our bank, and the cost of issuing the orders was quite low—in clerical cost it amounted to an average of 13 seconds of tellers' time per order. This is an example of how research discovered a new market for bank services and cashed in on it.

Another more recent example is what we call our "Insured Education Loan." Income taxes being what they are, it was not difficult to reach the conclusion that many families in the upper-middle and upper income brackets are having difficulty in financing the cost of higher education for an increasing number of their sons and daughters. Our problem was to find a method which would provide longer-term financing—that is, for a period longer than the usual four-year undergraduate course—at a rate of interest which would not violate the usury laws. The prevailing instalment loan rate was too high and the terms permitted under our State laws were too short but last year we overcame the obstacles, and on August 11, 1959 we announced the new plan. On the first day that the news appeared in the press, the telephone switchboard of our Personal Loan Department was swamped with calls. In the 10 months since that time we have made about 900 education loans for a total of nearly $3,000,000.

"Knowledge is power." This is the principle underlying most of today's research, in banking as elsewhere. The more we know, the more we can do, if—and only if—we know how to cash in on Research.

*An addres by Mr. Warner before the Kansas Bankers Association's Bank Management Clinic, Lawrence, Kansas.

Seaboard Finance Debentures Sold

Public offering of $40,000,000 Seaboard Finance Company 5¼% sinking fund debentures due 1980 was made on July 27 by an underwriting group headed by Lehman Brothers and Blyth & Co., Inc. The debentures are priced at 100% plus accrued interest. The offering, representing the first public sale of the company's debentures, sold quickly at a premium.

Seaboard, which is engaged primarily in making personal loans and in sales finance, will add the proceeds from the offering to its general funds. The proceeds may be applied initially to reduction of short-term bonds originally incurred to lend to customers and to purchase receivables in the ordinary course of business.

The company, whose principal executive office is in Los Angeles, Calif., conducts its lending operations through 561 offices located in 443 cities in 43 states and 4 Canadian provinces.

Operating income of the company during the six months ended March 31, 1960 amounted to $31,196,930 compared with $27,808,330 in the six months ended March 31, 1959. Net income in the respective periods was $4,042,454 and $3,820,582.

Beginning July 15, 1966 the company is required to retire $2,600,000 principal amount of debentures annually. For the sinking fund the debentures will be redeemable at the principal amount. They also will be optionally redeemable after July 15, 1968 at an initial price of 103¼% and at decreasing prices thereafter.

Chase Securities Formed

PHILADELPHIA, Pa.—Chase Securities Corporation is engaging in a securities business from offices at 37 South 13th Street. Officers are Ruth Chase Gilbert, President and Treasurer; Sarah Chase, Secretary; and Martin B. Louis, assistant Secretary.

AS WE SEE IT *Continued from page 1*

which appears to be really a new movement in history. From the earliest times aggressive powers were for centuries actively engaged in spreading their domain and fighting among themselves for spoils. The fact is that one of the earliest, if not the earliest of these and one of the most aggressive, was none other than China. Of course, Russia has always been given to imperialism, and it would not be difficult to name a number of others which through the ages were active and aggressive imperialists. None, save only Russia and China, appear to be making any serious effort to broaden or enlarge their domain in any direction.

A second observation is that most if not all of the backward peoples, even the exploited, are in all probability economically better off today than they would have been without the activities of the imperialists of earlier years. Of course, vast regions and large numbers of human beings are the victims of disease, hunger and poverty in a degree that is hard for us in more fortunate portions of the globe to visualize; of course, in some instances at least this abject state is in sharp and disturbing contrast to the status of the owners of the capital that has been at work in their land. And, in some instances at least, these unfortunates have suffered and are now suffering from exploitation. Naturally this is a situation which all honorable men look upon with abhorrence. Yet one has but to ask himself what would be the status of these unfortunates had their been no investment of foreign capital to begin to doubt whether, on net balance, imperialism has been an unmitigated economic scourge.

But all this has to do with the past, or with the nature of the present situation and its origin. The key question has to do with the future. How are these situations to be improved and who is to undertake the task of effecting such improvement. Times have, of course, changed and human conscience no longer tolerates much of the sort of thing that has taken place in the past. Nationalism is rampant, and even the lowliest country now insists that it be master of his own territory and assets—and few there be who are inclined to question its claim. But being master of one's own domain, and improving one's economic status, may be two quite different matters. Thanks in part to professional trouble makers in the Kremlin, many of these lowly peoples have reached the conclusion that they may rightly demand this and that from foreigners—or else merely report to Moscow and all will be well with them.

Utterly Absurd

Obviously, any such notion is utterly absurd. The Communists have no intention of supplying these peoples with the good things of life gratis even if they could. They may shout to high heaven that they have no interest in anything that they can get from these backward peoples; that all they are interested in is being helpful, and all the rest, but he would be naive indeed to take such talk seriously. Doubtless here and there the Soviets have done a little to alleviate suffering (where we have done a great deal more) but what the Kremlin is really interested in is getting control of peoples and governing them through puppet governments—for whose benefit we leave to the judgment of the reader. We have been more than liberal in granting aid of all sorts to a great many peoples. Much of it we have considered gifts and nothing else. But all this is but a drop in the bucket to what is required to raise the plane of living of many, many millions of people to what we should regard as a respectable level.

In consequence we hear a great deal about private investment in these lands. There are those—and some of them are in high places in government—who seem to suppose that this is the answer to the problems which face the world. As to this, there are two observations of vital importance. The first is that foreign investment may not of itself raise the poverty ridden peoples to a very different plane of living. The second is that private investment is not likely to flow into areas where it is so badly treated that it has virtually no hope of a profit. There are many ways in which backward peoples may be helped in their efforts to improve their position, but in the final analysis they must themselves be their own salvation.

There are two ways in which backward peoples can improve their condition. They can do what Russia did and what China is supposed to be doing—lead a spartan life (to put it mildly) while devoting a very large part of their current efforts to preparations for future production. That is to say, they can provide their own capital at the expense of all save bare life itself. It is doubtful whether such a move of procedure can be made to operate successfully, except in what amounts to a slave state in which wise as well as cruel leadership is available. The other way is to deal fairly and honorably with peoples in other parts of the world who have capital, making use of their capital for a reasonable price for some reasonable time. How many are really prepared to do any such thing?

Inadequate Depreciation Policies are Dangerous

Continued from page 3

equipment accounted for only 33% of total facilities while at present they are about 50%. Since 1925 annual equipment investment has risen at twice the rate of plant investment, and this trend has accelerated in recent years.

(3) Plant and equipment outlays for manufacturers should average about 3% of gross national product. (G. N. P.)

More detailed information has become available only since 1946. About 75% of total business is done today by corporations for which we have data on the sources and uses of funds. In the postwar period some 73% of all funds went into plant and equipment and 27% into additional working capital. Of the about $450 billion spent, 28% was raised in the capital market, of which 6% was equity financing and 22% debt financing. The other 72% came from retained earnings and depreciation, the latter's contribution rising in recent years. Of the funds spent, ⅔ went for modernization and only ⅓ for expansion.

Impact of Recessions and Foreign Competition

Of total plant and equipment outlays of business, manufacturers in the postwar period have accounted for as high a percentage as 45.7% in 1946 and as low as 36.4% in 1958, with an average of about 41%. By contrast, the public utilities and the communications industry (mostly AT&T) have shown a strongly defined upward trend, while other segments such as railroads have shown a relative decline.

Manufacturers have proved more susceptible to the impact of the three postwar recessions, and in the last few years also to foreign competition. Obviously our public utilities, trade, services, finance, communication, construction, and inland transportation are not exposed to the degree of foreign competition that recently has been felt by the steel, automobile, typewriter, sewing machines, cameras, and certain segments of the machinery, chemical, and textile industries.

Factors Determining the Probable Investment in Manufacturing In the Sixties

(1) The present and projected rate of capacity utilization. The ingot capacity of the steel industry on Jan. 1, 1960 was 148.5 mil./tons. Output has been as follows:

1955	117.0
1956	115.2
1957	112.7
1958	85.3
1959	93.5
1960*	105-110.0

* Estimated

For the end of the next decade output estimates vary between 140 and 175 mil. tons. The lower figure assumes significant increases in competition from net imports of steel and manufactured products, such as cars, and also from further domestic invasion of steel markets from nonferrous metals, plastics, wood and concrete. Increases of present capacity in the next decade will further depend on what safety margin to meet temporary peak demands the industry wants to have, the constant strive of corporations to keep at least their percentage of the available market and the unavoidable capacity increases inherent in the replacement and modernization of equipment.

(2) The age composition of plant and equipment and their ability to meet domestic and foreign competition on a cost basis.

(3) Cost savings from technological innovation. The basic oxygen converter saves about 60% of the investment and some 15% of the operating costs of steel making as compared with the open hearth furnace. This saving is so pronounced that some expect by the end of the decade the oxygen converter will account for 15% of carbon steel output instead of the 3% now produced.

(4) Development of new products, especially if they protect present markets from competition by other industries or open new markets. As an example, the steel industry is now preparing to offer thin tinplate in competition with aluminum, and colored steel in competition with anodized aluminum.

(5) The cost of new plant and equipment vs. the cost of labor. John L. Lewis in his heyday of pushing up miners' wages was regarded as the best salesman of the companies making coal mining equipment; Lewis, incidentally, was never opposed to the resulting shrinkage in miners' jobs. The fact that "Research and Development" outlays of American business were over $9 billion in 1959 and are scheduled to hit $10.7 billion in 1963 is most promising, but it takes from 5-10 years before money spent on research leads to plant and equipment outlays traceable to such research.

Foreign vs. Our Tax and Depreciation Policies

(6) The burden of a corporate profit tax of 52% which cannot be passed on to customers if foreign competitors pay only a 30% tax and enjoy the benefit of more liberal depreciation allowances.

(7) The rise of the internal cash flow from depreciation allowances and retained profits; 98% of the plant and 60% of the equipment to be depreciated in the next decade is already in use today.

(8) The availability and cost of borrowed funds and of equity financing. In the past decade, especially in the years 1955-1957, plant and equipment outlays have been in the upper range of their historical role in our economy. Some of the stimulants which provided a favorable climate for capital outlays in the fifties will still be at work in the sixties—such as the predictable sharp increase in net new family formation in the second half of the decade and the probable continued high level of expenditures for "research and development." But other stimulants, such as the sharp increase in defense expenditures in 1951 and the goveernment grants of five-year amortization certificates, were only temporary factors.

Which factors will most significantly effect the outlook for plant and equipment outlays of manufacturers in the sixties?

(1) As to the high cost of borrowing, experience has shown that while residential building, public utility expansion, and the financing of state and municipal projects may contract severely, high interest rates have not inhibited manufacturers as long as their profit expectations were favorable.

(2) The high postwar birth rate will, for the late sixties, create substantially expanded markets for housing, house furnishings, and cars when the postwar baby crop begin to march to the altar. Even if the recent fall in the birth rate should prove to be a permanent development, it would have its effect on business in the seventies rather than the sixties.

(3) Inflation, it is hoped, is no longer a factor. This would provide a higher percentage of the funds needed from depreciation allowances but it would eliminate the drive to invest cash before prices rise further. The net effect may therefore be inconsequential.

(4) One of the important new factors reducing the demand for capital needs of manufacturers is the certainty that in the next decade the world will have an overabundant supply of low cost natural gas and oil products, not only from the rich wells of the Near East but also from North Africa and from Russia and its satellites. This development will cut down the exploration activity in this country which now requires the drilling of many more and much deeper wells to produce an equal quantity of hydrocarbons. A further consequence will be the reduction in profitability of new investments designed to increase the thermal efficiency of energy generation in all forms.

Lower Fuel Costs for Foreign Competitors

(5) This brings us again to what I consider a most important point, namely the enhanced competitive capacity of foreign manufacturers which for the first time in history will enjoy fuel costs closer to ours.

(6) Foreign manufacturers will become steadily more competitive with ours as they reap the cost advantages from large scale production and marketing in common markets. Furthermore, as they conclude the present job of rebuilding the ravages of World War II and progress in their various phases of industrialization, a larger proportion of their labor forces and facilities will become available for enhanced export drives.

Conclusions

If we want to avoid depressions and stagnation, to minimize recessions and promote the steady long-term sustainable growth of our economy, we need steadily rising plant and equipment outlays for two purposes: for the expansion of our capacities and for the cost-reducing results gained from modern facilities.

We have, in our past, gone through periods when expansion of capacity of certain industries went ahead too fast and this faulty investment caused bankruptcies and a sharp drop in investment and thereby contributed to a subsequent depression. There is no guarantee that this might not happen again. But a much more likely danger of the next decade is that under the impact of reduced profits caused by foreign competition our manufacturers might both lower their sights and lack the means to modernize their facilities. Furthermore, if we should face a continued deficit in our balance of payments, our monetary fiscal authorities might be so afraid of an outflow of gold during the next recession as to fight it with a hard money policy, just as was done in 1931.

To practice steady investment, manufacturers need both the cash flow and the reassurance that government will fight future recessions as effectively as it fought the three since World War II.

Must Fight Recessions to Encourage Steadier Investments

Advocates of long-term capital budgeting have promised that such practice by itself would help to minimize recessions. But with

more rapid obsolescence of their facilities through "Research and Development" our manufacturers often cannot afford to contribute to a stable economy by investment in recessions before the facilities are really needed. Technical innovations may make them outmoded before they are even put to use. Our government should assure them by an unflagging resolve to fight recessions with prompt monetary and fiscal measures.

A new threat to the profitability, if not the life of some of our manufacturing industries has appared on the stage. This threat is the competition from friendly Europe and Japan today and from the U. S. S. R., its satellites, and Red China tomorrow. We hear a lot about the low wages in these countries, but we will not and we cannot ever compete with them on that basis. Instead we should focus our attention on another aspect of this present and future foreign competition, namely that their annual plant and equipment outlays as a percentage of their existing equipment are much higher than ours. The U. S. S. R. with a manufacturing output of some 40% of ours produces more than four times as many machine tools as we do.

It follows that our foreign competitors will not only have a faster growth of manufacturing capacity but a much lower average age composition of their facilities. Their plants will be more modern than ours and their costs, even aside from wages, will be lower.

Must Meet Foreign Tax and Depreciation Policy

Corporate profit taxes and depreciation allowances greatly favor manufacturers in the common market countries as compared to our own situation. The common market six nations have agreed not only to mutual tariff reductions but also that the burden of all direct taxes, personal and corporate, should not exceed 50% of all government revenues, while we rely on direct taxes for about 90% of Federal income.

If our manufacturers, faced with shrinking exports and rising imports, ask for tariff protection, except in selective cases they will have to guard against destroying our remaining export markets. But our manufacturers have a perfectly sound case to demand of their government a liberalization of depreciation allowances and a cut in the corporate profit tax from 52% now in force.

As long as our manufacturers compete only among themselves the corporate profit tax is a convenient method of raising Federal revenues and as a rule it is not absorbed by the manufacturers but by their customers. In the world markets, however, our manufacturers cannot compete on even terms with foreign producers paying corporate profit taxes at rates which in some countries appear to average less than half that of ours, quite aside from being entitled to more liberal depreciation allowances. Naturally, a cut in the corporate profits tax and liberalization of depreciation allowances would cause a temporary revenue loss to the Treasury until the economic growth of the country wipes it out. To maintain a budget surplus, we may have to close some loopholes or use a temporary indirect tax, such as a general sales tax exempting all food and necessities.

But in competition with friendly countries today and with the U. S. S. R. and China tomorrow we have to accept their economic challenge and give our manufacturers the weapons, that is, the incentives and the cash flow, to fight back. This peril may be only a cloud on the horizon today but in the coming decade it may sweep over some of our manufacturers like a hurricane unless they are equipped with the most modern equipment their cash flow can buy.

Picking the Better Alternative

Opponents to the liberalization of depreciation allowances granted as of Jan. 1, 1954 have blamed the recession of 1957-58 and the disappointing pace of business recovery since on the fact that the flow of cash to corporations (after tax profits and depreciation allowances) rose by nearly three-fifths while after tax personal income increased less than one third. The conclusion is drawn that plant and equipment were increased faster than the ability of the consumers to absorb the output of the enlarged facilities. To this contention the following should be considered:

(1) Was the pre-1954 balance between the flow of funds to investment and to consumption more conducive to economic growth *without inflation* than the present balance?

(2) Does not any period of increasing investment draw manpower and goods away from production for consumption *until* the increased output of the modernized and enlarged facilities raises *real* consumption because of lower costs and increased supply and therefore lower prices?

(3) Seeing the handwriting of fiercer foreign competition on the wall, is now not the time to mobilize against it by further modernization of our facilities before domestic unemployment increases and consumption declines?

*An address by Dr. Weidenhammer before the annual meeting of the National Industrial Conference Board, New York City.

ESC Electronics Stock Offered

Pursuant to a July 25 offering circular, 75,000 shares of the 10c par common stock of E S C Electronics Corp. were offered publicly at $4 per share by Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

The most important factor in the company's business consists of the laboratory facilities, staff and know-how of its engineering department. The company does not rely upon any patents for its products nor does it have any patent applications pending. Successful development of its products depends upon the scientific and technical competence of the company's engineering department, which is staffed by 46 employees, of whom 12 are electrical engineers and physicists; two, mechanical engineers; 12, laboratory technicians and draftsmen; and 20, model-shop employees. About 70% of their work consists of design engineering and 30% is production engineering.

While some orders are accompanied by manufacturing designs and drawings, most show only the ultimate electrical sppecifications to be achieved by a delay network to be designed and engineered by the company. After suitable research, the laboratory develops a prototype model which is usually subjected by the customer to various electrical, environmental and mechanical tests. These tests may take weeks or months to complete. The time lag between an initial inquiry and a quantity production order, if any, may range between several weeks and several years.

With Nat'l Securities

Ronald K. Adams has joined National Securities & Research Corp. as a representative in the states of Oregon and Washington, it was announced by E. Waln Hare, Vice-President.

In his new position, Mr. Adams will work under the direction of Rufus Lee Carter, Vice-President in charge of the Pacific Coast territory.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

THE CITIZENS & SOUTHERN NATIONAL BANK (GEORGIA)

Among the top fifty commercial banking organizations in the United States, the Citizens & Southern banks in Georgia represent the largest banking system in the Southeast. In line with forward looking management, five additional branch offices were opened and one bank, Bank of Albany, was acquired during 1959. The recently announced expansion program for 1960 not only includes a pending consolidation of the City Bank & Trust Co., Macon into the system but for 9 new branches in several Georgia communities.

On June 30, 1960 total resources of the Citizens & Southern system totaled $651 million. The Macon bank will add another $7.6 million to total assets and will bring the 37th office to the state-wide network. The Citizens & Southern National Bank, although the home office is in Savannah, has its main executive office at Atlanta. Branches are operated in Athens, Atlanta, Augusta, Macon, Savannah and Valdosta. Affiliate banks, owned through the Citizens & Southern Holding Company, include those located in Albany, Atlanta, Augusta, Avondale Estates, Dublin, East Point, Decatur, LaGrange, Newnan, and Thomaston. Thus the system extends throughout the state of Georgia. The stock in the Citizens & Southern Holding Company is owned beneficially by the stockholders of Citizens & Southern National.

During the past five years, the need for additional capital has been marked by frequent stock rights given to raise capital funds for meeting the growth opportunities uncovered. Subject to a special stockholder meeting scheduled for August 11, C. & S. plans to issue 100,000 new shares. About one-third of the new shares will be used to effect the City Bank merger and the remainder will be issued through purchase rights to present stockholders on the basis of one new share at $35 for each 21 shares held. This offering is the fifth in less than five years. Steps to meet the growing industrial needs of Georgia by C & S are further accentuated by the establishment of the first complete industrial development department in the Southeast and the setting up of service offices in New York City during 1956 and in Chicago in 1957. The links between financing and fostering business interests in Georgia and the Southeast with interests in the North are thereby strengthened.

Among pioneering steps by the bank was the formation in 1958 of The Citizens & Southern Small Business Investment Company to provide capital for small but growing Georgia businesses. The bank was granted one of the first two licenses in the entire nation by the Small Business Administration under this relatively new method just getting underway. Five investments were made in 1959 and seven additional investments have been made to date during 1960 for a total of nearly $400,000 in 12 small and diverse Georgia businesses.

COMBINED STATEMENT OF CONDITION
(IN MILLIONS OF DOLLARS)

ASSETS—	—Dec. 31, 1959—		—Dec. 31, 1958—		Dec. 31, 1957
Cash	$169.2	24.9%	$139.1	21.9%	27.2%
U. S. Government	99.8	14.7	155.8	24.5	17.7
Other securities	26.8	4.9	27.3	4.3	.4.6
Loans	367.3	54.1	302.6	47.5	48.6
(Real estate)	(51.3)	(13.8)	(45.2)	(14.8)	(13.8)
Other assets	15.5	2.3	11.5	1.8	1.9
Total assets	$678.6	100.0%	$636.3	100.0%	100.0%
LIABILITIES—					
Capital funds	$57.0	8.4%	$47.9	7.5%	7.2%
Deposits	605.4	89.2	573.0	90.1	90.5
(Time Deposits)	(116.4)	(19.2)	(110.5)	(19.3)	(19.1)
Other liabilities	16.2	2.4	15.4	2.4	2.3
Total liabilites	$678.6	100.0%	$636.3	100.0%	100.0%

The information presented in the tables represent combined statistics of The Citizens & Southern National and affiliate banks. For the three years ending in 1959 the following gains were made: Capital funds 43.7%, Total loans 28.9%, Total assets 17.7% and Total deposits 15.2%. During 1959 loans increased 21.3%, assets 6.7%, deposits 5.7% and capital funds 19% by year end. This record of growth ranks well above average among U. S. banking organizations and represents an active participation in one of the nation's fastest growing regions, the Sixth Federal Reserve District. Correspondent banking is particularly important to C & S.

SELECTED PER SHARE STATISTICS

Year	Net Operating Earnings	Dividends	Book Value	% Earned on Book Value	Approx. Bid Price Range
1960*	$2.06*	$1.50	----	----	43 - 41
1959	3.50	1.50	$40.02	8.6%	50 - 39
1958	3.70	1.50	41.54	8.9	48 - 34
1957	4.44	1.50	41.37	11.0	40 - 34
1956	3.62	1.50	39.39	9.2	49 - 35
1951	2.30	1.25	33.71	6.8	30 - 25

*Six months, 1960

On a per share basis the C & S banking system growth trends become obscured due to the frequent sales of additional stock. Also the figures presented have not been adjusted for stock purchase rights or stock dividends of 5% in 1958 and 4.347% in 1959. Nonetheless the total number of shares to be outstanding will total only 1,500,000 after the pending merger and the steps being taken indicate an improved per share record during the period ahead. The quality of this issue has been strengthened by acceptance in 1959 of Citizens & Southern stock as a qualified legal investment for savings banks in Massachusetts.

The introduction of the C & S charge account service in March, 1959 involved a non-recurring cost in excess of $500,000. By year end there were 2,100 participating merchants and more than 35,000 credit card users being serviced. Including interest in affiliates, net operating earnings of $2.06 for the first six months of 1960 compare with $1.64 in 1959 period. At the recent price of 41 a yield of 3.6% is obtained on the indicated $1.50 annual dividend. The number of shareholders now exceed 5,000; the bank's personnel are well represented in ownership.

Through investment in the stock of The Citizens & Southern National Bank a representation is obtained in the fast growing Southeast region, in a leading holding company situation and in the banking operations in Georgia, the largest state east of the Mississippi River.

El Paso Natural Gas Co. Offers Rights to Holders

El Paso Natural Gas Co. is offering to holders of its outstanding common stock the right to subscribe for 1,136,890 additional shares of common stock at the subscription price of $29 per share, on the basis of one share for each 15 shares of common stock held of record on July 26, 1960. Subscription rights will expire at 5 p.m. (EDT) on Aug. 11, 1960.

White, Weld & Co. Inc. will manage a standby group to underwrite the issue by purchasing any unsubscribed portion of the common shares.

Net proceeds from the financing will be added to the general funds of the company. It is expected that the proceeds will be used to repay current bank loans and for investment in securities of subsidiary companies, principally El Paso Natural Gas Products Co.

On July 26, 1960, directors declared a dividend of 32½ cents per share on the common stock, payable Sept. 30, 1960 to stockholders of record Aug. 26, 1960, including the shares issued in connection with the present offering. The dividend, equivalent to an annual rate of $1.30, is the 96th consecutive dividend paid by the company.

The company is engaged principally in the operation of a pipe line system for the transmission of natural gas. The company sells natural gas to distributing companies and municipalities for resale and delivers gas directly to industrial customers. All of the company's customers are located in the western part of the United States. The southern portion of the company's pipe line system extends from west Texas across New Mexico and Arizona to the California-Arizona border. The northern portion, formerly owned by the company's subsidiary, Pacific Northwest Pipeline Corp., prior to the merger of that corporation into the company on Dec. 31, 1959, extends from New Mexico and Colorado through Utah, Wyoming, Idaho, Oregon and Washington, to the Canadian border. The company and its subsidiaries own about 10,228 miles of main and branch transmission pipe lines and 7,784 miles of field gathering lines, having a delivery capacity of approximately 3,438 million cubic feet per day.

For the four months ended April 30, 1960, the company and its subsidiaries had consolidated operating revenues of $175,484,000 and net income of $18,610,000.

Bach Director

Robert Bach, New York City, partner of Wertheim & Co., investment bankers, was elected a director of Motor Wheel Corporation.

T. B. Allen Opens

COLLEGE PARK, Md. — Thomas B. Allen is engaging in a securities business from offices at 7404 Baltimore Avenue under the firm name of Allen & Company. Mr. Allen was formerly with H. F. Weekley & Co.

Securities Now in Registration

★ **INDICATES ADDITIONS SINCE PREVIOUS ISSUE**
● **ITEMS REVISED**

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

★ Adson Industries, Inc.
July 20, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The company is a general contractor. **Proceeds**—For general corporate purposes. **Office**—116-55 Queens Boulevard, Forest Hills 75, N. Y. **Underwriter**—Bennett & Co., Newark, N. J.

Agricultural Research Development, Inc.
May 23 (letter of notification) 120,000 **shares** of common **stock** (par five cents). **Price—$2.50 per share. Proceeds**—For construction of buildings, **purchase of** equipment **and** for working capital. **Address—Wiggins,** Colo. **Underwriter**—Ladet & Co., Inc., **Denver, Colo.**

Alderson Research Laboratories, Inc. (8/8-12)
May 26 (letter of notification) 100,000 **shares** of common **stock** (par 10 cents). **Price—$3 per share. Proceeds—For general** corporate purposes. **Office—48-14 33rd St., Long Island** City, N. Y. **Underwriter — Morris** Cohon **& Co., New** York, N. Y.

Allegheny Pepsi Cola Bottling Co.
June 9, 1960, filed 200,000 shares of common stock and $500,000 of 6¾% first mortgage bonds, due 1963 through 1972. **Price**—$5 per common share (par 50 cents), and bonds at 100% of principal amount. **Proceeds**—To purchase the outstanding shares of the Cloverdale Spring Co., and the balance for the general funds. **Office**—Guildford Ave., Baltimore, Md. **Underwriter**—Weil & Co. of Washington, D. C.

Allied Bowling Centers, Inc.
Dec. 29 filed **$750,000** of sinking **fund debentures and 300,000** shares of capital stock, **to be offered in units of $75** principal amount of **debentures and 30 shares of stock.** **Price**—$108 per unit. **Proceeds—For general corporate** purposes. **Office**—Arlington, **Texas. Underwriter**—Rauscher, Pierce & Co., Inc., **Dallas. Note — This** offering has been postponed.

★ Allstate Consolidated, Inc.
July 20, 1960 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To increase the equity of the corporation. **Office**—1800 David Stott Bldg., Detroit, Mich. **Underwriter**—None.

● Ameco Electronic Corp. (8/1-5)
May 19 (letter of notification) **100,000 shares** of common stock (par 10 cents). **Price—$3 per share. Proceeds**—For general corporate purposes. **Office — 37** E. **18th** Street, New York, N. Y. **Underwriter—Palombi Securities** Co., New York, N. Y.

● American Bowla-Bowla Corp. (8/8-12)
April 15 filed 120,000 shares of common stock and warrants for the purchase of an additional 60,000 shares, The company proposes to offer **these securities** for public sale in units consisting of two **shares of stock** (par 25 cents) and one warrant. **Price—$6.50** per unit. **Proceeds**—To cover an initial **installment on the purchase** price of two additional bowling **centers; for furniture and fixtures** thereon; and the **balance to be added to** working capital and be available **for general corporate** purposes. **Office**—400 38th St., Union **City, N. J. Underwriter**—Hill, Thompson & Co., Inc., **New York.**

American Duralite Corp.
June 30, 1960 (letter of notification) 290,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds** — For inventory, expansion, and to increase accounts receivable. **Address**—Loudon, Tenn. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Offering**—Expected sometime in September.

American Electronics, Inc. (8/9)
June 13, 1960, filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes including construction and debt reduction. **Office** — 1725 West Sixth St., Los Angeles, Calif. **Underwriter**—Shields & Co., New York City.

Continued on page 27

NEW ISSUE CALENDAR

July 29 (Friday)

Arco Electronics, Inc. — **Common**
(Michael G. Kletz & Co., Inc.) $140,000 shares

Florida Capital Corp. — **Common**
(A. C. Allyn & Co., Inc.) 500,000 shares

National Fountain Fair Corp. — **Common**
(General Investing Corp.) $300,000

Powertron Ultrasonics, Inc. — **Common**
(No underwriting) $410,000

Sav-A-Stop, Inc. — **Common**
(Pistell, Crow Inc.) $450,000

August 1 (Monday)

Ameco Electronic Corp. — **Common**
(Palombi Securities Co.) $300,000

Automatic Cafeterias for Industry, Inc. — **Common**
(Richard Gray Co.) $126,600

Bruce National Enterprises, Inc. — **Common**
(George, O'Neill & Co., Inc.) $2,010,000

C. F. C. Funding Inc. — **Common**
(Darius Inc.) $150,000

Campbell Machine, Inc. — **Common**
(J. A. Hogle & Co.) 102,500 shares

Cellomatic Battery Corp. — **Units**
(Willis E. Burnside & Co., Inc.) $300,000

Cenco Instruments Corp. — **Conv. Debentures**
(Lehman Brothers) $5,000,000

Chemical Packaging Co., Inc. — **Common**
(Mainland Securities Corp. and Jeffrey-Robert Corp.) $287,500

Conetta Manufacturing Co., Inc. — **Common**
(Pearson, Murphy & Co., Inc.) $500,000

Continental Boat Corp. — **Common**
(J. E. Coburn Associates, Inc.) $300,000

Dwyer-Baker Electronics Corp. — **Common**
(Frank B. Bateman, Ltd., Hardy & Co. and Jack M. Bass & Co.) $300,000

Edwards Engineering Corp. — **Common**
(Sandkuhl & Company, Inc.) $297,500

Federal Steel Corp. — **Common**
(Westheimer & Co.) $295,000

Hydrometals, Inc. — **Conv. Debentures**
(Offering to stockholders—underwritten by H. M. Byllesby & Co., Inc.) $2,500,000

International Telephone & Telegraph Corp., Sud America — **Debentures**
(Bear, Stearns & Co.) $10,000,000

Kaiser Industries Corp. — **Common**
(The First Boston Corp.; Dean Witter & Co. and Carl M. Loeb, Rhoades & Co.) 300,000 shares

Kings Electronics Co., Inc. — **Units**
(Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co.) $800,000

Lee Filter Corp. — **Capital**
(Myron A. Lomasney & Co.) $962,500

Metropolitan Development Corp. — **Capital**
(William R. Staats & Co.; Bache & Co. and Shearson, Hammill & Co.) 1,000,000 shares

Namm-Loeser's Inc. — **Common**
(Offering to stockholders—Underwritten by Ladenburg, Thalmann & Co.) 217,278 shares

Navajo Freight Lines, Inc. — **Common**
(Hayden, Stone & Co. and Lowell, Murphy & Co.) 250,000 shares

Organ Corp. of America — **Common**
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $300,000

Renmar Corp. — **Common**
(D. Klapper Associates, Inc.) $300,000

Safticraft Corp. — **Common**
(George, O'Neill & Co., Inc.) $825,000

Steck Co. — **Common**
(Rauscher, Pierce & Co., Inc.) 60,000 shares

Terminal Electronics, Inc. — **Capital**
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,000,008

United Aero Products Corp. — **Common**
(L. C. Wegard & Co.; Street & Co., Inc.; Woodcock, Moyer, Fricke & French; First Broad Street Corp. Russell & Saxe and V. S. Wickett & Co., Inc.) $300,000

Western Publishing Co., Inc. — **Common**
(Goldman, Sachs & Co.) 362,114 shares

Willer Color Television System, Inc. — **Common**
(Equity Securities Co.) $242,670

August 2 (Tuesday)

Investors Funding Corp. of New York — **Debentures**
(No underwriting) $1,400,000

Southwestern Bell Telephone Co. — **Debentures**
(11 a.m. EDT) $100,000,000

August 3 (Wednesday)

Associated Testing Laboratories, Inc. — **Common**
(Drexel & Co.) 75,000 shares

Astrotherm Corp. — **Units**
(Ross, Lyon & Co., Inc. and Globus, Inc.) $616,000

Brook Labs. Co., Inc. — **Common**
(Sandkuhl & Company, Inc. and J. J. Magaril Co.) $297,000

Commonwealth Development & Construction Co. — **Common**
(Vickers, Christy & Co., Inc. and First City Securities, Inc.) $300,000

Inter-County Telephone & Telegraph Co. — **Com.**
(Dean Witter & Co.) 125,000 shares

August 4 (Thursday)

American Research & Development Corp. — **Com.**
(Lehman Brothers) 350,000 shares

August 8 (Monday)

Alderson Research Laboratories, Inc. — **Common**
(Morris Cohon & Co.) $300,000

American Bowla Bowla Corp. — **Units**
(Hill, Thompson & Co., Inc.) $390,000

Arkansas Valley Industries, Inc. — **Debentures**
(A. G. Edwards & Sons) $400,000

Arkansas Valley Industries, Inc. — **Common**
(A. G. Edwards & Sons) 30,000 shares

Arnoux Corp. — **Common**
(Shearson, Hammill & Co.) 133,000 shares

Benson-Lehner Corp. — **Common**
(Bear, Stearns & Co.) 75,000 shares

Chemtree Corp. — **Common**
(Havener Securities Corp.) $262,750

Colorado Real Estate & Development, Inc. — **Com.**
(Adams & Peck) $750,000

Dalto Corp. — **Common**
(No underwriting) 134,739 shares

Electri-Cord Manufacturing Co., Inc. — **Common**
(E. M. North Co., Inc.) $299,700

Electromagnetic Industries, Inc. — **Common**
(Flomenhaft, Seidler & Co., Inc.) $300,000

Evans Rule Co. — **Common**
(McDonnell & Co., Inc.) 145,000 shares

Foto-Video Electronics Corp. — **Class B**
(Fund Planning, Inc.) $500,000

Narragansett Capital Corp. — **Common**
(G. H. Walker & Co.) $11,000,000

United States Boat Corp. — **Common**
(Richard Bruce & Co., Inc.) $700,000

Western Kentucky Gas Co. — **Common**
(Equitable Securities Corp.) 55,000 shares

Whitmoyer Laboratories, Inc. — **Common**
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000

Whitmoyer Laboratories, Inc. — **Debentures**
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

August 9 (Tuesday)

American Electronics, Inc. — **Common**
(Shields & Co.) 300,000 shares

Avnet Electronics Corp. — **Common**
(Hemphill, Noyes & Co.) 150,000 shares

Avnet Electronics Corp. — **Conv. Debentures**
(Hemphill, Noyes & Co.) $2,000,000

Louisville & Nashville RR. — **Equip. Trust Ctfs.**
(Noon EDT) $7,530,000

Trans-Coast Investment Co. — **Common**
(Lehman Brothers) 400,000 shares

Variable Annuity Life Insurance Co. of America — **Common**
(John C. Legg & Co.) 1,000,000 shares

August 10 (Wednesday)

Capri Pools, Inc. — **Common**
(Nassau Securities Service) $125,000

Lestoil Products, Inc. — **Units**
(Paine, Webber, Jackson & Curtis and Alex. Brown & Sons) $4,125,000

Roliton Corp. — **Common**
(Copley & Co.) $175,000

Softol, Inc. — **Common**
(Harwyn Securities, Inc.) $300,000)

United Sheet Metal Co., Inc. — **Common**
(R. W. Pressprich & Co.) 170,000 shares

August 11 (Thursday)

Infrared Industries, Inc. — **Common**
(Lehman Brothers) 135,000 shares

August 15 (Monday)

Consolidated Research & Mfg. Corp. — **Units**
(Bertner Bros.) $325,000

Dunbar Development Corp. — **Common**
(Netherlands Securities Co., Inc. and J. A. Winston & Co., Inc.) $300,000

Fairmount Finance Co. — **Common**
(J. T. Patterson & Co., Inc.) $290,000

Fitchburg Paper Co. — **Common**
(White, Weld & Co.) 325,000 shares

Gold Medal Packing Corp. — **Conv. Preferred**
(Ernst Wells, Inc.) $400,000

Itemco, Inc. — **Common**
(Morris Cohon & Co. and Schrijver & Co.) $500,000

National Capital Corp. — **Common**
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,200,000

National Patent Development Corp. — **Common**
(Globus, Inc. and Ross, Lyon & Co.) $150,000

Needham Packing Co. — **Common**
(Cruttenden, Podesta & Co.) 200,000 shares

Pacotronics, Inc. — **Common**
(Myron A. Lomasney & Co.) $600,000

Rotating Components, Inc. — **Common**
(S. Schramm & Co., Inc.) $300,000

Roto American Corp. — **Common**
(Morris Cohon & Co.) 75,000 shares

Sealed Air Corp. — **Common**
(Bertner Bros. and Earl Edden Co.) $100,000

System Meat Co. — **Common**
(Purvis & Co.) $750,000

Techno Fund, Inc. — **Common**
(The Ohio Co. and Merrill, Turben & Co., Inc.) $5,000,000

Tech-Ohm Electronics, Inc. — **Common**
(Edward Lewis Co., Inc.) $300,000

Telephone & Electronics Corp. — **Common**
(Equity Securities Co.) $264,900

Transnation Realty Corp. — **Debentures**
(Ross, Lyon & Co., Inc. and Globus, Inc.) $700,000

Transnation Realty Corp. — **Common**
(Ross, Lyon & Co., Inc. and Globus, Inc.) 70,000 shares

Transnation Realty Corp. — **Warrants**
(Ross, Lyon & Co., Inc. and Globus, Inc.) 35,000

August 16 (Tuesday)
Michigan Bell Telephone Co.__________**Debentures**
(11:00 a. m. EDT) $35,000,000

August 17 (Wednesday)
Harcourt, Brace & Co., Inc.______________**Common**
(White, Weld & Co.) 493,425 shares

Natural Gas Pipeline Co. of America____**Cum. Pfd.**
(Dillon, Read & Co., Inc.) 150,000 shares

Natural Gas Pipeline Co. of America______**Bonds**
(Dillon, Read & Co., Inc. and Halsey, Stuart & Co. Inc.) $25,000,000

Warner Electric Brake & Clutch Co.______**Common**
(Blunt Ellis & Simmons and Bacon, Whipple & Co.) 154,916 shares

August 18 (Thursday)
Mobile Video Tapes, Inc.________________**Common**
(Dempsey-Tegeler & Co.) $300,000

August 22 (Monday)
Avionics Investing Corp.__________________**Capital**
(S. D. Fuller & Co.) $4,000,000

Chematomics, Inc. _____________________**Common**
(Pleasant Securities Co.) $564,900

Deluxe Aluminum Products, Inc.__________**Common**
(R. A. Holman & Co., Inc.) $350,000

Deluxe Aluminum Products, Inc.______**Debentures**
(R. A. Holman & Co., Inc.) $330,000

Electro-Tec Corp. _____________________**Common**
(Harriman Ripley & Co., Inc.) 135,000 shares

Miles-Samuelson Inc. ___________________**Common**
(Marron, Sloss & Co., Inc.) 100,000 shares

Pearson Corp.__________________________**Common**
(R. A. Holman & Co., Inc.) 50,000 shares

Reilly-Wolff Associates, Inc._______________**Class A**
(Arden Perin & Co., Inc.) $215,000

August 23 (Tuesday)
Southern California Edison Co._____________**Bonds**
(8:30 a.m. California time) $60,000,000

August 24 (Wednesday)
Northern Pacific Ry.___________**Equip. Trust Ctfs.**
(Noon EDT) $6,270,000

August 25 (Thursday)
I C Inc.__________________________________**Common**
(Purvis & Co. and Amos C. Sudler & Co.) $1,500,000

Majestic Utilities Corp.______________________**Units**
(Purvis & Co.) $300,000

August 29 (Monday)
Capital Investments, Inc.__________________**Common**
(The Marshall Co.) $660,000

Heldor Electronics Manufacturing Corp.______**Com.**
(S. Schramm & Co., Inc.) $300,000

Sachar Properties, Inc.________________________**Units**
(Ross, Lyon & Co., Inc. and Globus, Inc.) $600,000

September 13 (Tuesday)
Virginia Electric & Power Co.______________**Bonds**
(Bids to be invited) $25,000,000

September 14 (Wednesday)
Utah Power & Light Co.______________________**Bonds**
(Bids to be invited) $16,000,000

Utah Power & Light Co.__________________**Preferred**
(Bids to be invited) $10,000,000

September 15 (Thursday)
East Central Racing & Breeders Association Inc. _____________________________________**Units**
(No underwriting) $700,000

September 20 (Tuesday)
Public Service Electric & Gas Co.___________**Bonds**
(Bids to be invited) $50,000,000

September 21 (Wednesday)
Pacific Power & Light Co._____________________**Bonds**
(Bids noon) $20,000,000

Rochester Telephone Co._______________________**Bonds**
(Bids to be received) $12,000,000

September 26 (Monday)
Cavitron Corp. ______________________________**Common**
(No underwriting) $600,000

September 27 (Tuesday)
Indianapolis Power & Light Co.______________**Bonds**
(11:00 a. m. N. Y. Time) $12,000,000

September 28 (Wednesday)
New York Telephone Co.________________________**Bonds**
(Bids to be received) $60,000,000

New York Telephone Co.______________________**Common**
(Bids to be received) $120,000,000

October 4 (Tuesday)
San Diego Gas & Electric Co._________________**Bonds**
(Bids to be invited) $25,000,000

October 6 (Thursday)
Columbia Gas System, Inc.______________**Debentures**
(Bids to be invited) $30,000,000

October 18 (Tuesday)
Louisville Gas & Electric Co.________________**Bonds**
(Bids to be invited) $16,000,000

October 19 (Wednesday)
Union Electric Co._____________________________**Bonds**
(Bids 11 a.m. EDT) $50,000,000

October 20 (Thursday)
Florida Power Corp.____________________________**Bonds**
(Bids to be received) $25,000,000

October 25 (Tuesday)
American Telephone & Telegraph Co.___**Debentures**
(Bids to be received) $250,000,000

November 3 (Thursday)
Georgia Power Co._____________________________**Bonds**
(Bids to be invited) $12,000,000

December 6 (Tuesday)
Northern States Power Co. (Minn.)_________**Bonds**
(Bids to be invited) $35,000,000

Continued from page 26

American Frontier Life Insurance Co.
Nov. 30 filed 200,000 shares of capital stock being offered for subscription by holders of common stock of record June 1, on the basis of one share for each six shares then held, with rights to expire at 2:00 p.m. CST on Aug. 30, at $7 per share. Additional shares may be subscribed for at $8 per share. **Price**—$8 per share. **Proceeds**—To increase capital and surplus. **Office** — 1455 Union Ave., Memphis, Tenn. **Underwriter**—Union Securities Investment Co., of Memphis, Tenn.

American Mortgage Investment Corp.
April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

American Research & Development Corp. (8/4)
June 28, 1960, filed 350,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and will be available for investment in accordance with its investment policies, as the management may approve, (a) in new projects and (b) in company in which the issuer has already invested funds. **Office**—200 Berkeley St., Boston, Mass. **Business**—Registered investment company. **Underwriter**—Lehman Brothers, New York.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per share. **Proceeds**—To pay off mortgages, develop and improve properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

American Stereophonic Corp.
April 11 (letter of notification) 50,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—17 W. 60th St., New York, N. Y. **Underwriter**—Hamilton Waters & Co., Inc., 250 Fulton Ave., Hempstead, N. Y.

• Arco Electronics, Inc. (7/29-8/3)
May 10 filed 140,000 shares of class A common stock. **Price** — To be supplied by amendment. **Proceeds** — $350,000 for general corporate purposes and the balance for working capital. **Office**—New York City. **Underwriter** — Michael G. Kletz & Co., Inc., New York City.

Arden Farms Co.
May 13, 1960, filed 44,278 shares of preferred stock, and 149,511 shares of common stock. The company is offering the preferred shares at $52 per share, and common shares at $15 per share, initially through subscription warrants. The holders of outstanding preferred stock will be entitled to purchase the new preferred at the rate of one new share for each 10 shares held. Common stockholders will be entitled to purchase the additional common shares at the rate of one new share for each 10 shares held. The record date for both groups is June 23 with rights to expire on or about Sept. 16. **Proceeds** — To repay the equivalent portion of bank loans. **Office**—1900 West Slauson Ave., Los Angeles, Calif.

Arizona-New Mexico Development Corp.
June 28, 1960 (letter of notification) 12,000 shares of common stock (par $4) and 48,000 shares of convertible preferred stock (par $4) to be offered in units of one share of common and four shares of preferred. **Price**—$25 per unit. **Proceeds** — To develop land as a tourist attraction. **Office**—Scottsdale, Ariz. **Underwriter**—Preferred Securities, Inc.

• Arkansas Valley Industries, Inc. (8/8-12)
June 9, 1960, filed $400,000 of 6% convertible subordinated sinking fund debentures and 30,000 shares of common stock, $3 par. $200,000 of the debentures will be issued to Arkansas Valley Feed Mills, Inc.; the remainder of the registration will be publicly offered. **Price**—To be supplied by amendment. **Proceeds** — To retire current bank loans and increase working capital. **Office**—Dardanelle, Ark. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo.

Arnoux Corp. (8/8-12)
May 23 filed 133,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—11924 W. Washington Blvd., Los Angeles, Calif. **Underwriter**—Shearson, Hammill & Co., New York.

• Associated Testing Laboratories, Inc. (8/3-5)
May 25 filed 75,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—To retire $100,000 of short-term bank loans, to provide additional facilities and equipment for plants at Wayne, N. J., and Winter Park, Fla., and the balance will be added to working capital. **Office**—Clinton Road, Caldwell, N. J. **Underwriter**—Drexel & Co., New York and Philadelphia.

Astrex Corp.
July 12, 1960, filed 100,000 shares of common stock. **Price**—$4 per share. **Proceeds** — For general corporate purposes, including debt reduction. **Business**—The distribution of equipment used principally in the electronics, aircraft and missile industries. **Office**—New York City. **Underwriters**—Clayton Securities Corp., Boston, Mass., and Maltz, Greenwald & Co., of New York City. **Offering**—Expected in mid-September.

• Astrotherm Corp. (8/3)
May 24 filed $308,000 of 8% subordinated convertible debentures, due July 1970, 154,000 shares of common stock, and 46,200 common stock purchase warrants. The company proposes to offer these securities in units, each unit to consist of $100 of principal amount of debentures, 50 common shares, and 15 warrants exercisable initially at $2 per share. **Price**—$200 per unit. **Proceeds**—To repay loans, purchase new equipment and the balance for working capital. **Office**—Indianapolis, Ind. **Underwriters**—Ross, Lyon & Co., Inc., Globus, Inc., and Harold C. Shore & Co., all of New York City.

Atlantic Bowling Corp.
June 27, 1960, filed 250,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To furnish and equip additional bowling centers, including the repayment of any temporary indebtedness so incurred, and for working capital. Any balance will be used for general corporate purposes, which may include equipment of additional bowling centers, or the purchase of such centers from others, and the reduction of indebtedness. **Office**—100 Medway Street, Providence, R. I. **Underwriters**—Sutro Bros. & Co., New York and McDowell, Dimond & Co., Providence, R. I. **Offering**—Expected in late August or early September.

• Automatic Cafeterias for Industry, Inc. (8/1-5)
May 31 (letter of notification) 41,848 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—Dover, County of Kent, Del. **Underwriter** — Richard Gray Co., New York, N. Y.

Avionics Investing Corp. (8/22)
July 12, 1960, filed 400,000 shares of capital stock (par $1). **Price** — $10 per share. **Business** — The issuer is a closed - end non - diversified management investment company. **Proceeds**—For investments in small business concerns in avionics and related fields, with a proposed limit of $800,000 to be invested in any one such enterprise. **Office** — 1000 - 16th Street, N. W., Washington, D. C. **Underwriter**—S. D. Fuller & Co., New York City.

• Avnet Electronics Corp. (8/9)
June 15, 1960, filed $2,000,000 of convertible debentures, due 1975, to be offered for public sale by the issuing company and 150,000 outstanding shares of common stock to be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—Of the debentures: to repay short-term bank loans, to maintain inventory, and for working capital. **Office**—70 State St., Westbury, Long Island, N. Y. **Underwriter**—Hemphill, Noyes & Co., New York City.

Bal-Tex Oil Co., Inc.
June 17, 1960 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil properties. **Office**—Suite 1150, First National Bank Bldg., Denver, Colo. **Underwriter**—L. A. Huey & Co., Denver, Colo.

• Benson-Lehner Corp. (8/8-12)
June 27, 1960, filed 75,000 shares of common stock, of which 67,500 shares are to be offered for public sale by the company and 7,500 shares, being outstanding stock, by the present stockholders thereof. **Price** — To be supplied by amendment. **Proceeds**—$950,000 will be used to repay short-term bank loans the proceeds of which were used for working capital, $100,000 will be advanced to subsidiaries as working capital, and the balance will be added to the company's working capital. **Office**—1860 Franklin St., Santa Monica, Calif. **Business**—Engaged in the development, manufacture and sale of data processing equipment, research and service in the field of information retrieval, and the development, manufacture and sale of scientific cameras. **Underwriter** — Bear, Stearns & Co., New York.

• Black Hills Power & Light Co.
June 28, 1960, filed 32,842 shares of common stock, being offered initially for subscription by holders of outstanding common stock of record July 27 on the basis of one new share for each 12 shares held with rights to expire on Aug. 11. **Price**—$28.50 per share. **Proceeds**—Together with other funds and funds on hand, will cover the remaining cost of the company's fiscal 1960 construction program, including the repayment of interim bank loans obtained for such purpose. **Office**—621 Sixth St., Rapid City, S. Dak. **Underwriter** — Dillon, Read & Co. Inc., New York.

★ Border Steel Rolling Mills, Inc.
July 25, 1960 filed $1,300,000 of 6% subordinated convertible debentures, due 1976, and 245,439 shares of common stock, of which the stock will be offered to holders of record May 31, on the basis of 53¼ new shares for each share then held. **Price** — For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—For the construction of a steel mill and related facilities, land purchase, interest payments, and general funds. **Office** — Mart Bldg., El Paso, Texas. **Underwriters**—First Securities Co., Dallas, Texas, and Harold S. Stewart & Co., El Paso, Texas (for debentures only).

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Bristol Dynamics, Inc.
June 28, 1960, filed 124,000 shares of common stock, of which 69,000 shares are to be offered for public sale for the account of the issuing company and 55,000 shares, being outstanding stock, by the present holders thereof. **Price**—$6 per share. **Proceeds**—$100,000 for expansion and further modernization of the company's plants and equipment; $100,000 for research and development of new products; and the balance (about $123,000) for working capital and other corporate purposes. **Office**—219 Alabama Ave., Brooklyn, N. Y. **Business**—Designing, engineering, manufacturing, producing, and selling electrical and mechanical assemblies, electronic and missile hardware components and special tools and fabrications. **Underwriter** — William David & Co., Inc., New York. **Offering**—Expected in late August or early September.

● **Brooks Labs. Co., Inc. (8/3)**
May 31 (letter of notification) 108,000 shares of common stock (par 10 cents) of which 28,000 shares are being sold for selling stockholders. **Price** — $2.75 per share. **Proceeds**—For general corporate purposes. **Office**—650 Lincoln Place, Brooklyn 16, N. Y. **Underwriters**—Sandkuhl & Company, Inc., New York City and Newark, N. J. and J. J. Magaril Co., 37 Wall St., New York, N. Y.

● **Bruce National Enterprises, Inc. (8/1-3)**
April 29 filed 335,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For reduction of outstanding indebtedness; to pay off mortgages on certain property; for working capital and other corporate purposes. **Office**—1118 N. E. 3rd Avenue, Miami, Fla. **Underwriter** — George, O'Neill & Co., Inc., New York.

● **Buzzards Bay Gas Co., Hyannis, Mass.**
June 7 filed 27,000 outstanding shares of common stock, to be offered for sale by American Business Associates. **Price** — To be supplied by amendment. **Underwriter**—Coffin & Burr, Inc., Boston, Mass. **Offering**—Indefinitely postponed.

Byer-Rolnick Hat Corp.
May 9 filed 100,000 outstanding shares of common stock. **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—601 Marion Drive, Garland, Tex. **Underwriters** — Dallas Rupe & Son, Inc., Dallas, Texas and Straus, Blosser & McDowell, Chicago, Ill. **Note**—This offering has been indefinitely delayed.

● **C. F. C. Funding Inc. (8/1-5)**
May 6 (letter of notification) 75,000 shares of common stock (par 10 cents), **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—90 Broad St., New York 4, N. Y. **Underwriter**—Darius Inc., New York, N. Y.

Campbell Machine, Inc. (8/1-5)
June 20, 1960, filed 102,500 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Foot of Eighth Street, San Diego, Calif. **Business**—The company conducts a shipyard business which consists of repair and maintenance of U. S. Navy and commercial vessels. **Underwriter**—J. A. Hogle & Co., Salt Lake City, Utah.

● **Capital Investments, Inc. (8/29)**
July 15, 1960 filed 60,000 shares of common stock. **Price**—$11 per share. **Business**—Issuer is a closed-end, non-diversified management investment company providing equity capital and advisory services to small business concerns. **Proceeds** — For general corporate purposes. **Office**—743 No. Fourth St., Milwaukee, Wis. **Underwriter**—The Marshall Co., Milwaukee.

Capri Pools, Inc. (8/10)
June 23, 1960 (letter of notification) 125,000 shares of common stock (par one cent). **Price** — $1 per share. **Proceeds**—For expansion, tooling, repayment of indebtedness, working capital and inventory. **Office**—2838 N. Naomi Street, Burbank, Calif. **Underwriter**—Nassau Securities Service, New York, N. Y.

Castleton's, Inc.
June 13 (letter of notification) 160,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—1350 Foothill Road, Boulevard, Salt Lake City, Utah. **Underwriters**—Potter Investment Co. and Whitney & Co., Salt Lake City, Utah.

Cavitron Corp. (9/26-30)
June 17, 1960, filed 40,000 shares of common stock. **Price** $15 per share. **Proceeds**—To finance the company's anticipated growth and for other general corporate purposes. **Office**—42-15 Crescent St., Long Island City, N. Y. **Underwriter**—None.

● **Cellomatic Battery Corp. (8/1-5)**
May 20 (letter of notification) $270,000 of 6% guaranteed 5-year convertible notes and 6,000 shares of common stock (par 10 cents) to be offered in units consisting of a $90 note and two shares of common stock. **Price**—$100 per unit. **Proceeds**—For working capital. **Office**—300 Delaware St., Archibald, Pa. **Underwriter**—Willis E. Burnside & Co., Inc., New York, N. Y.

● **Cenco Instruments Corp. (8/1-5)**
June 23, 1960, filed $5,000,000 of convertible subordinated debentures due Aug. 1, 1980. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company. **Office**—1700 W. Irving Park Rd., Chicago 13, Ill. **Underwriter** — Lehman Brothers, New York.

Central Charge Service, Inc.
July 18, 1960, filed $2,000,00 of subordinated sinking fund debentures, due Aug. 31, 1975, with attached warrants to purchase 60,000 common shares, and an additional 60,000 common shares. **Price**—To be supplied by amendment. **Business** — The issuer provides a retail charge account service and credit facilities for merchants by discounting customers' sales tickets. **Proceeds**—To redeem $300,000 of outstanding 6% subordinated participating debentures at 110% of principal amount, to increase working capital, and to reduce indebtedness. **Office**—620 11th Street, N. W., Washington, D. C. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. **Offering**—Expected in late August.

Chematomics, Inc. (8/22-26)
June 24, 1960, filed 188,300 shares of common stock (par 10 cents), of which 175,000 are to be offered for public sale by the company and 13,300 shares, being outstanding stock, by the present holders thereof. **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—122 East 42nd Street, New York, N. Y. **Business**—Intends to manufacture and market high heat resistant ion exchange resins. **Underwriter**—Pleasant Securities Co., Newark, N. J.

● **Chemical Packaging Co., Inc. (8/1-5)**
March 16 (letter of notification) 115,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds** — For general corporate purposes. **Office** — 755 Utica Avenue, Brooklyn, N. Y. **Underwriters**—Mainland Securities Corp., 156 N. Franklin Street, Hempstead, N. Y. and Jeffrey-Robert Corp., 382 S. Oyster Bay Road, Hicksville, L. I., N. Y.

● **Chemtree Corp. (8/8-12)**
April 19 (letter of notification) 262,750 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—100 W. 10th Street, Wilmington 99, Del. **Underwriter**—Havener Securities Corp., New York,, N. Y.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

● **City Gas Co. of Florida (8/8-12)**
June 27, 1960, filed 120,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — Together with other funds, will be used for repayment of $2,800,000 of bank loans which are expected to exist in such amount at the time of closing the stock financing, $500,000 to complete the company's conversion and construction program, and the balance for general corporate purposes. **Office**—955 East 25th St., Hialeah, Fla. **Business** — The company and its subsidiaries distribute gas through underground distribution systems in the Miami area which are in the process of conversion from liquified petroleum gas to natural gas systems. **Underwriter**—Kidder, Peabody & Co., New York.

Civic Finance Corp.
July 6, 1960 filed $650,000 of capital notes, series due 1980 (subordinated), with warrants to purchase common shares, and 40,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds to provide additional working capital. **Business**—The company is engaged in commercial financing and supplies funds to business concerns in Wisconsin and neighboring states. **Office**—530 North Water St., Milwaukee, Wis. **Underwriter** — Robert W. Baird & Co., Inc., Milwaukee, Wis.

● **Colorado Real Estate & Development, Inc. (8/8-12)**
June 23, 1960, filed 150,000 shares of common stock (par $2). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office** — 704 Midland Savings Building, Denver, Colo. **Business**—Intends to engage in the acquisition of unimproved acreage, the development of that acreage into prepared sites for single-family homes, multiple dwellings and commercial improvements, and the sale of those sites to builders and others. **Underwriter**—Adams & Peck, New York.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

● **Commonwealth Development & Construction Co. (8/3)**
May 24 (letter of notification) 60,000 shares of common stock (par five cents). **Price**—$5 per share. **Proceeds**—For working capital. **Office**—11th & Main Sts., Pennsburg, Pa. **Underwriters**—Vickers, Christy & Co., Inc., 15 William St., New York, N. Y. and First City Securities, Inc., New York, N. Y.

Conetta Manufacturing Co., Inc. (8/1-5)
June 3 filed 125,000 shares of class A common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes including the reduction of indebtedness, the purchase of machinery and equipment, and for working capital. **Office**—73 Sunnyside Ave., Stamford, Conn. **Underwriter** — Pearson, Murphy & Co., Inc., New York City.

Connecticut & Chesapeake, Inc.
April 29 filed $585,000 of 4½% promissory notes and 2,250 shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of $260 of notes due Oct. 1, 1991 and one share of stock, provided that the minimum purchase shall be 10 units for a minimum consideration of $3,600 ($2,600 of notes and 10 shares of stock). **Price**—$360 per unit. **Proceeds**—For repayment of certain advances made to the company. **Office** — 724-14th Street, N. W., Washington, D. C. **Underwriter**—Shannon & Luchs Securities Corp.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Consolidated Research & Manufacturing Corp. (8/15-19)
May 27 filed 50,000 shares of class A and 50,000 shares of class B stock (par 10 cents). The company proposes to offer these shares in units of one share of each class. **Price**—$6.50 per unit. **Proceeds**—For equipment, sales expansion, increased advertising and marketing program budget, and working capital and general expansion. **Office** — 1184 Chapel Street, New Haven, Conn. **Underwriter**—Bertner Bros., New York.

● **Consumers Power Co.**
June 15, 1960 filed $38,101,600 of 4⅜% convertible debs., due 1975, being offered for subscription by holders of record as of 3:30 p.m.. EDT, July 26, at the rate of $100 of debentures for each 25 shares of stock then held with no oversubscription privilege, and rights to expire on Aug. 12, at 4:30 p.m. EDT. **Price** — 100% of principal amount. **Proceeds**—For the company's construction program. **Underwriters** — Kuhn, Loeb & Co.; Ladenburg, Thalmann & Co.; Allen & Co.; A. M. Kidder & Co.

● **Continental Boat Corp. (8/1-5)**
June 15, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office** — 1815 N. E. 144th St., North Miami, Fla. **Underwriter**—J. E. Coburn Associates, Inc., New York, N. Y.

Country Club Corp. of America
April 29 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For repayment of outstanding debt, including payment of mortgages, taxes, notes, and miscellaneous accounts payable; for general corporate purposes and construction of new facilities. **Office** — 1737 H. Street, N. W., Washington, D. C. **Underwriter**—A. J. Gabriel Co., Inc., New York. **Offering**—Expected in August.

● **Cubic Corp.**
June 8, 1960, filed 50,000 shares of capital stock, of which 25,000 shares are being offered for the account of the company, and 25,000 shares for the account of selling stockholders. **Price**—At-the-market at time of offering. **Proceeds**—For additional working capital. **Office**—5575 Kearney Villa Road, San Diego 11, Calif. **Underwriter**—Hayden, Stone & Co., New York City. **Note**—This offering has been indefinitely postponed due to market conditions.

Dalto Corp. (8/8-12)
March 29 filed 134,730 shares of common stock, to be offered for subscription by holders of such stock of record May 2 at the rate of one new share for each two shares then held. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—None.

● **Dechert Dynamics Corp.**
May 31, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For expenses of offering, to pay instalment contracts, for electronics research and sales promotion, and other general purposes. **Office**—713 W. Main St., Palmyra, Pa. **Underwriter**—Plymouth Securities Corp., New York, N. Y. **Offering**—Imminent.

★ **Del Electronics Corp.**
July 26, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes, from its own designs, and sells high voltage power supplies, transformers, chokes, and reactors. **Proceeds**—For working capital, relocation, and expansion. **Office**—521 Homestead Ave., Mount Vernon, New York. **Underwriters** — Standard Securities Corp., New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa.

Deluxe Aluminum Products, Inc. (8/22-26)
Oct. 15 filed $330,000 of convertible debentures, and 70,000 shares of common stock. **Price**—For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. **Office**—6810 S. W. 81st St., Miami, Fla. **Underwriter**— R. A. Holman & Co., Inc.

Detroit Tractor, Ltd.
May 26 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

● **Diversified Communities, Inc.**
Sept. 25 filed 367,200 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For acquisition of Hope Homes, Inc., Browntown Water Co. and Cantor & Goldman Builders, Inc., with the balance to be used as working capital. **Office**—29A Sayre Woods Shopping Center, Madison Township, P. O. Parlin, N. J. **Underwriter**—Lee Higginson Corp., New York. **Note**—This statement was withdrawn on July 22.

Diversified Realty Investment Co.
April 26 filed 250,000 shares of common stock. **Price**—$5 per share (par 50 cents). **Proceeds** — For additional working capital. **Office**—919 18th Street, N. W., Washington, D. C. **Underwriter**—Ball, Pablo & Co., Washington, D. C.

Drug Associates, Inc.
May 6 (letter of notification) 100 units of $100,000 of 7% sinking fund debenture bonds and 10,000 shares of common stock (par $1) to be offered in units consisting of one $1,000 debenture and 100 shares of common stock. **Price**—$1,100 per unit. **Proceeds**—For general corporate purposes. **Office**—1238 Corlies Ave., Neptune, N. J. **Underwriter**—Fidelity Securities & Investment Co., Inc., Asbury Park, N. J.

Dunbar Development Corp. (8/15-19)
June 22, 1960 (letter of notification) 75,000 shares of class A common stock (par 10 cents). **Price** — $4 per share. **Proceeds**—For general corporate purposes. **Office**—237 Sylvester St., Westbury, L. I., N. Y. **Business**—Purchase of land and building of homes. **Underwriters**—Netherlands Securities Co., Inc., and J. A. Winston & Co., Inc., New York, N. Y.

Durox of Minnesota, Inc.
April 11 filed $650,000 of 7% first mortgage bonds and 120,000 shares of common stock (par $1). The offering will be made in units of one bond ($100 principal amount) and 20 shares of common stock or one unit of 50 bonds at principal amount plus accrued interest. **Price**—To be supplied by amendment. **Proceeds**—For additional plant and equipment and to provide working capital to commence and maintain production. **Office** — 414 Pioneer Bldg., St. Paul, Minn. **Underwriters**—Irving J. Rice & Co., Inc., St. Paul, Minn. and M. H. Bishop & Co., Minneapolis, Minn.

● Dwyer-Baker Electronics Corp. (8/1)
June 20, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To pay current maturity of mortgage and notes and for working capital. **Office**—7400 N. W. 13th Ave., Miami, Fla. **Underwriters** — Frank B. Bateman, Ltd., Palm Beach, Fla., Hardy & Co., New York, N. Y., and Jack M. Bass & Co., of Nashville, Tenn.

Dynamic Center Engineering Co., Inc.
June 20, 1960 (letter of notification) 37,450 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To promote the sale of new products, for the purchase of additional equipment and working capital. **Address**—Norcross, Ga. **Underwriter**—Gaston-Buffington-Waller Inc., Atlanta, Ga.

● Dynatron Electronics Corp.
April 29, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—178 Herricks Road, Mineola, N. Y. **Underwriter**—General Securities Co., Inc., New York, N. Y.

East Alabama Express, Inc.
April 1 (letter of notification) 77,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To repay notes payable, reduce equipment purchase obligations, accounts payable and for working capital. **Office**—109 M Street, Anniston, Ala. **Underwriter**—First Investment Savings Corp., Birmingham, Ala.

East Central Racing and Breeders Association, Inc. (9/15)
July 5, 1960, filed 200,000 units of 200,000 shares of capital stock and 200,000 warrants to purchase capital stock. Each unit will consist of one share and one warrant for the purchase of an additional share exercisable within 12 months. **Price**—$3.50 per unit. **Proceeds**—First step in the management's program if this financing is successful and after allocating $10,000 to finishing a training track surface and $25,000 to property accruement and maintenance, is the construction of about 15 stables to accommodate 32 horses each at an estimated cost of $22,500 each. An additional $200,000 has been allocated for construction of a building covering an indoor training track and $74,000 for working capital. **Office** — Randall, N. Y. **Underwriter**—None.

● Edwards Engineering Corp. (8/1)
April 8 filed 85,000 shares of common stock of which 70,000 shares are to be offered for the account of the issuing company and 15,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes including salaries, sales promotion, moving expenses, and research and development work. **Office**—715 Camp Street, New Orleans, La. **Underwriter**—Sandkuhl & Company, Inc., New York City and Newark, N. J.

● Electri-Cord Manufacturing Co., Inc. (8/8-12)
June 15 (letter of notification) 99,900 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—2554 E. 18th Street, Brooklyn, N. Y. **Underwriter**—E. M. North Co., Inc., New York, N. Y.

● Electromagnetic Industries, Inc. (8/8-12)
June 22, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office**—Greeley Ave., Sayville, L. I., N. Y. **Business**—Manufactures and sells transformers, magnetic components and electric instrumentation and control devices. **Underwriter**—Flomenhaft, Seidler & Co., Inc., New York, N. Y.

Electronic Developments, Inc. of Florida
June 21, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To establish a new office, for salaries, research and development and working capital. **Office**—424 W. Davis Blvd., Tampa, Fla. **Underwriter**—Carr-Rigdon Co., Inc., 4700 Nolensville Rd., Nashville, Tenn.

Electronic Specialty Co.
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriter** — Bateman, Eichler & Co. of Los Angeles, Calif. **Offering**—Expected in August.

★ Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of common, 2½ cents per share. **Proceeds**—To expand the company's inventory, make repairs and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Carleton Securities Corp., Washington, D. C.

Electro-Tec Corp. (8/22-26)
July 1, 1960, filed 135,000 shares of common stock (par 10 cents), of which 75,000 shares are to be offered for public sale for the account of the issuing company and 60,000 shares, being outstanding stock, by the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds and be used for general corporate purposes. **Office**—10 Romanelli Ave., South Hackensack, N. J. **Business**—Design, development, manufacture and sale of slip ring and brush block assemblies, switching devices and relays for electronic equipment. **Underwriter**—Harriman Ripley & Co., Inc., New York.

● El Paso Natural Gas Co.
June 21, 1960, filed 1,136,890 shares of common stock, being offered for subscription by common stockholders of record July 26, 1960, at the rate of one new share for each 15 shares then held, with rights to expire on Aug. 11, at 5:00 p.m. (EDT). **Price**—$29 per share. **Proceeds**—To be used in part to repay not less than $10,000,000 of current bank loans and the balance will be used largely for investment in the notes and common stock of subsidiary companies, principally El Paso Natural Gas Products Co. **Underwriter**—White, Weld & Co., Inc. (managing), New York City.

● Ennis Business Forms, Inc.
July 14, 1960, filed 74,546 shares of outstanding common stock (par $2.50). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 214 West Knox St., Ennis, Texas. **Underwriter**—Kidder, Peabody & Co., New York City. **Offering** — Expected in early September.

● Evans Rule Co. (8/8-12)
June 17, 1960, filed 145,000 shares of common stock (par $1), of which 40,000 shares will be sold for the account of the company and 105,000 shares for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Business**—The company manufactures and sells precision steel measuring tapes and wood folding rules. **Proceeds**—To be used by the company to purchase two leased plants in Elizabeth, N. J. The balance of the proceeds will be added to working capital and will be available for general corporate purposes. **Office**—Elizabeth, N. J. **Underwriter** — McDonnell & Co. Inc., New York City.

Evergreen Gas & Oil Co.
June 20, 1960 (letter of notification) 2,000,000 shares of common stock (par five cents). **Price** — 12½ cents per share. **Proceeds**—For expenses for oil and gas development. **Office**—E. 12707 Valleyway, Opportunity, Wash. **Underwriters**—Standard Securities Corp. and Pennaluna & Co., Spokane, Wash. and Herrin Co., Seattle, Wash.

★ Execugraf Corp.
July 19, 1960 (letter of notification) 150,000 shares of class A common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To reduce expenses. **Office**—6505 Wilshire Blvd., Los Angeles 28, Calif. **Underwriter**—None.

● Fairmount Finance Co. (8/15-19)
May 6 (letter of notification) 58,000 shares of class A common stock (par $5). **Price**—At par ($5 per share). **Proceeds**—For working capital. **Office**—5715 Sheriff Road, Fairmount Heights, Md. **Underwriter**—J. T. Patterson & Co., Inc., 40 Exchange Place, New York, N. Y.

Farms, Inc.
June 13 (letter of notification) $298,000 of 10-year 5¾% debentures, to be offered in denominations of $1,000, $500 and $250 each. **Price**—At face value. **Proceeds**—For working capital. **Office**—818 17th Street, Denver 2, Colo. **Underwriter**—Wayne Jewell Co., Denver, Colo.

● Federal Steel Corp. (8/1-5)
March 30 (letter of notification) 59,000 shares of common stock (no par). **Price**—$5 per share. **Proceeds**—For an expansion program. **Office**—3327 Elkton Ave., Dayton 3, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio.

Fidelity Electronics Corp.
July 11, 1960, (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Fairview & Hancock Streets, Riverside, Burlington County, N. J. **Underwriter** — Metropolitan Securities, Inc., Philadelphia, Pa.

● First Investors Corp.
July 19, 1960, filed 270,000 shares of outstanding class A common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — New York City. **Underwriter**—Bache & Co. **Offering**—Expected in early September.

Fischbach & Moore, Inc.
June 28, 1960, filed 300,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—New York City. **Underwriter**—Allen & Co.,, New York City. **Offering**—Expected in late August.

Fitchburg Paper Co., Fitchburg, Mass. (8/15-19)
June 28, 1960, filed 325,000 shares of class A common stock, of which 217,000 shares are to be offered for public sale for the account of the issuing company and 108,000 shares being outstanding stock by the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, will be used to purchase and retire the outstanding preferred stock of the company at a cost not in excess of $114,000; to pay in full the outstanding 5¾% notes held by New England Mutual, the unpaid principal amount of which at June 1, 1960 was $787,500; $1,400,000 for construction of a new and larger plant for the Decotone Products Division; $450,000 for completion of a new office building; and the balance for additional working capital. **Underwriter**—White, Weld & Co., New York.

● Fleetcraft Marine Corp.
July 5, 1960 (letter of notification) 150,000 shares of capital stock (no par) of which 112,500 shares are being offered by the company and the remainder for the account of the selling stockholder. **Price**—$2 per share. **Proceeds** — To pay off debts and for working capital. **Office** — c/o Robert R. Chesley, 1235 E. Florence Ave., Los Angeles, Calif. **Underwriter**—Garat & Polonitza, Inc., Los Angeles, Calif. **Note**—The underwriter states that this offering has been indefinitely postponed.

● Florida Capital Corp. (7/29)
June 9, 1960, filed 500,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To finance the issuer's investments in small business concerns, which will be engaged in land development or electronics. **Office** — 1201 Harvey Bldg., West Palm Beach, Fla. **Underwriter**—A. C. Allyn & Co., Inc., Chicago, Ill.

● Foto-Video Electronics Corp. (8/8-15)
April 26 filed 125,000 shares of class B stock. **Price**—$4 per share. **Proceeds**—$100,000 for research and development, $200,000 for working capital, and the balance for sales promotion expenses. **Office** — Cedar Grove, N. J. **Underwriter**—Fund Planning, Inc., New York City.

Fritzi of California Mfg. Corp.
July 5, 1960, filed 100,000 shares of common stock (par $1) of which 30,000 shares are to be offered for public sale for the account of the issuing company, and 70,000 shares, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business**—Company is engaged in the production and sale of popularly priced blouses and sportswear coordinates for girls and women. **Proceeds**—From the stock sale, and funds from working capital, totalling $293,092.75, will be contributed to the capital of Fritzi Realty, a wholly owned subsidiary, to purchase for cash from 177-First Street Corp. the building presently used by the company. **Office**—167-199 First Street, San Francisco, Calif. **Underwriters**—Bear Stearns & Co., of New York, and Schwabacher & Co., of San Francisco and New York. **Offering**—Expected in late August.

★ Frouge Corp.
July 22, 1960 filed $1,500,000 of 6½% convertible subordinated debentures, due September 1975, and 150,000 shares of common stock (par $1), of which filing 50,000 of the common shares are to be offered for the account of selling stockholders and the balance for the account of the issuing company. **Prices** — To be supplied by amendment. **Business**—The company is engaged in the construction business, both as a general contractor and as a builder for its own account. **Proceeds** — For debt reduction and working capital. **Office**—141 North Ave., Bridgeport, Conn. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

Funded Security Corp.
July 7, 1960, filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The issuer is a holding company organized under Illinois law in December, 1959. **Proceeds**—$600,000 will be transferred to the general funds of Funded Security Life Insurance Co., a newly organized legal reserve life insurance company wholly owned by the issuer, for investment in income producing securities and expansion through acquisition. **Office**—2812 W. Peterson Ave., Chicago, Ill. **Underwriters**—H. M. Byllesby & Co., Chicago, and Kalman & Co., Inc., St. Paul, Minn.

Gateway Sporting Goods Co.
July 7, 1960 filed 70,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds from an anticipated $700,000 loan from an insurance company, will be used to retire a $425,000 bank loan and to finance the company's expansion program. **Business**—The company is principally a retail organization specializing in sporting goods, photographic equipment, toys, wheel goods, luggage and related recreational lines. **Office**—1321 Main St., Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City, Mo.

★ General Motors Acceptance Corp.
July 27, 1960 filed $150,000,000 of 22-year debentures, due 1982. **Price**—To be supplied by amendment. **Proceeds**—For general funds, the purchase of accounts receivable, the reduction of indebtedness, and possibly for investment in short-term securities. **Office**—New York City. **Underwriter**—Morgan Stanley & Co., New York City (managing).

General Sales Corp.
April 28 filed 90,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$75,000 will be used for additional working capital, inventories and facilities for the Portland Discount Center; $75,000 for the same purposes in the Salem Center; and $50,000 to provide working capital for General Sales Acceptance Corp. for credit sales to member customers. The balance of the proceeds will be used to open two new stores in Oregon and Idaho. **Office** — 1105 N. E. Broadway, Portland, Ore. **Underwriter** — Fennekohl & Co., Inc., New York. **Offering**—Expected in late August.

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★ General Steel Castings Corp.
July 22, 1960 filed 296,649 shares of common stock (par $1), of which 100,000 shares are to be offered for the account of the issuing company and the balance, representing outstanding stock, will be offered for the account of the present holders thereof. **Price**—To be related to the market price for the shares at the time of the offering. **Proceeds**—To be loaned to St. Louis Car Co., a subsidiary. **Office** — 1417 State St., Granite City, Ill. **Underwriter** — Hornblower & Weeks, New York City (managing). **Offering**—Expected sometime in September.

Gold Medal Packing Corp. (8/15)
June 17, 1960, filed 100,000 shares of 25c convertible preferred stock (par $4). **Price**—At par. **Proceeds**—Approximately $150,000 will be used to discharge that portion of its obligation to Jones & Co. pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on June 15, 1960 in connection with refinancing the company's obligations to a bank. In addition, $15,000 will be used for the construction of an additional smokehouse, and the balance will be used for general corporate purposes. **Office**—614 Broad Street, Utica, N. Y. **Business**—The company is engaged in the processing, packing and distribution of meats and meat products, principally sausage products, smoked meats, bacon, and meat specialties. It also sells certain dairy products. **Underwriter**—Ernst Wells, Inc., 15 William Street, New York City.

★ Graphic Controls Corp.
July 20, 1960 (letter of notification) 6,666 shares of class A stock (par $5). **Price**—$7.50 per share. **Business**—Printing. **Proceeds**—For general corporate purposes. **Office**—189 Van Rensselaer St., Buffalo, N. Y. **Underwriter**—None.

Greenbelt Consumer Services, Inc.
April 28 filed 40,000 shares of series A common stock and 160,000 shares of series B common stock. **Price**—$10 per share. **Proceeds**—$400,000 will be used in payment of bank loans made in January to finance the purchase of equipment for two new supermarkets which are planned to be opened in May and June, 1960. Approximately $200,000 will be used for the purchase of inventory for the two new stores. The company contemplates opening four additional supermarkets within the next two and one-half years. Approximately $1,200,000 of the proceeds of the offering will be used to finance the purchase of equipment and inventory for such stores. The balance of approximately $182,000 will be added to general working capital. **Office**—10501 Rhode Island Ave., Beltsville, Md. **Underwriter**—None.

Gross Furnace Manufacturing Co., Inc.
March 30 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Proceeds** — For advertising, equipment and working capital. **Office**—c/o Joseph J. Gross, 2411 Sunnybrook Road, Richmond, Va. **Underwriter**—Maryland Securities Co., Inc., Baltimore, Md.

Guardian Central Trust, Inc.
June 3 filed 484,862 shares of common stock, of which 200,000 shares are to be publicly offered, and the remaining shares are reserved for the acquisition of the stock of Guardian Discount Co. **Price**—$6 per share. **Proceeds**—From the public offering, to be invested in Guardian Discount Co. **Office**—1415 Union Avenue, Memphis, Tenn. **Underwriter**—James N. Reddoch & Co., Memphis, Tenn.

Gulf-Tex Development, Inc.
March 30 filed 250,000 shares of common stock. **Price**—$5 per share. **Proceeds**—For purchase of Pelican Island; for improvements on said property; and for working capital and other general corporate purposes, including the general development of the property. **Office**—714 Rosenberg St., Galveston, Tex. **Underwriter**—Myron A. Lomasney & Co., New York.

★ Hallicrafters Co.
July 22, 1960 filed 300,000 shares of capital stock (par $1), of which 100,000 shares are to be offered for the account of the issuing company and the balance, representing outstanding stock, is to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The research, development, and manufacture of military electronic equipment, and the commercial manufacture and sale of shortwave sending and receiving equipment. **Proceeds**—For working capital, including the reduction of indebtedness by $1,000,000. **Office**—4401 W. Fifth Ave., Chicago,, Ill. **Underwriter**—Paine, Webber, Jackson & Curtis (managing). **Offering**—Expected in early September.

Harcourt, Brace & Co., Inc. (8/17)
June 28, 1960, filed 493,425 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—The company is engaged in the publication and sale of junior high school, high school and college textbooks, workbooks, related materials, as well as general trade books. **Office**—750 Third Avenue, New York. **Underwriter**—White, Weld & Co., New York.

★ Harvest Brand, Inc.
July 22, 1960 filed 191,667 shares of common stock (10c par), of which 150,000 shares will be sold for the account of the issuing company and 41,667 shares, representing outstanding stock, will be sold for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The issuer is engaged primarily in the formulation, manufacture, distribution, and sale of feed supplements, minerals, and pre-mixes for the livestock industry in the mid-west. **Proceeds**—To retire long-term debt; for a new automated plant, and for additional working capital. **Office** — Pittsburgh, Kansas. **Underwriter**—S. D. Fuller & Co., New York City. **Offering**—Expected in mid-September.

★ Hawaiian Electric Co., Ltd.
July 25, 1960 filed 116,643 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each eight shares held. **Price** —To be supplied by amendment. **Proceeds**—For capital expenditures. **Office**—900 Richards St., Honolulu, Hawaii. **Underwriter**—None.

● Hawaiian Pacific Industries, Inc.
June 29, 1960, filed $1,350,000 of 6½% convertible subordinated debentures, due September, 1970, and 100,000 shares of common stock. **Price**—Debentures, at 100% of principal amount; common stock at a maximum of $10 per share. **Proceeds** — For construction expenses, new equipment, reduction of indebtedness, and the acquisition of properties. **Office** — Honolulu, Hawaii. **Underwriters**—Bosworth, Sullivan & Co. and Lowell, Murphy & Co., both of Denver, Colo. **Offering**—Expected in early September.

● Heldor Electronics Manufacturing Corp. (8/29-9/2)
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 238 Lewis Street, Paterson, N. J. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y.

Helicopters, Inc.
May 19 (letter of notification) 60,000 shares of common stock (par $1). **Price** — $5 per share. **Proceeds** — For purchase of equipment, tools, inventory and working capital. **Office**—Heliport, Stapleton Airfield, Denver 2, Colo. **Underwriter**—Insurance Stocks, Inc., Denver, Colo. **Offering**—Expected in late August or early September.

Honey Dew Food Stores, Inc.
June 24, 1960 (letter of notification) $300,000 of 7½% convertible subordinated debentures due July 1, 1970. **Price** — At 100%. These debentures are convertible through June 30, 1965 into capital stock at $2.50 per share to and including June 30, 1962, at $3.33⅓ per share from July 1, 1962 to June 30, 1964 inclusive and at $4 per share from July 1, 1964 to June 30, 1965 inclusive. **Proceeds** — For general corporate purposes. **Office** — 811 Grange Rd., Teaneck, N. J. **Underwriter** — Vickers, Christy & Co., Inc., 15 William St., New York 5, N. Y.

★ Hyak Skiing Corp.
July 18, 1960 (letter of notification) 30,000 shares of common stock. **Price**—At par ($10 per share). **Proceeds** —For general corporate purposes. **Office**—c/o Frederick D. Voorhees, 8422 N. E. 10th St., Bellevue, Wash. **Underwriter**—Columbia-Cascade Corp., Seattle, Wash.

Hydrocraft, Inc.
June 20, 1960 (letter of notification) 180,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase inventory, increase plant capacity by adding additional molds and jigs, research and development and for working capital. **Office**—804 Lake St., Huntington Beach, Calif. **Underwriter**—Wedbush & Co., Los Angeles, Calif..

● Hydrometals, Inc. (8/1-5)
June 16, 1960 filed $2,500,000 of convertible debentures due 1972. The company proposes to offer the debentures for subscription by stockholders. **Price**—To be supplied by amendment. **Proceeds**—Approximately $490,000 will be used to retire loans made to furnish working capital and to finance the company's Hydro-T-Metal program, and $300,000 will be used to retire a loan made to finance the acquisition of a license to practice an electrothermal process for the production of metals from oxides and ores. The balance of such proceeds will be added to the general funds of the company. **Office** — 405 Lexington Ave., New York City. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill.

Hyster Co.
June 27, 1960, filed 130,000 shares of its common stock (par 50 cents). Of the total, 50,000 shares are being offered for the company's account and 80,000 shares by certain stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Business** — The manufacturing and marketing of materials handling equipment. **Underwriter** — Blyth & Co., Inc., New York. **Offering**—Expected in mid-August.

● I C Inc. (8/25)
June 29 filed 600,000 shares of common stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver. Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

I. D. Precision Components Corp.
June 29, 1960, (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 89-25 Van Wyck Expressway, Jamaica 35, N. Y. **Underwriter** —R. A. Holman & Co., Inc., New York, N. Y. **Offering** —Expected sometime in September.

● Illinois Beef, L. & W. S., Inc.
April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York, and Bruno Lenchner, Inc., Pittsburgh, Pa. **Offering**—Expected sometime in September.

Indian Trail Ranch, Inc.
June 28, 1960, filed $585,000 of 6% convertible promissory notes due 1965; 171,600 warrants to purchase the said notes; and 57,200 common shares issuable upon conversion of the notes. The company proposes to offer its common stockholders rights to subscribe to the notes at the rate of $5 principal amount of notes for each share of common stock held. Each stockholder is entitled to one subscription right for each share held; and three rights are required to subscribe for one note in the amount of $15, the minimum subscription. **Business**—The company is authorized to engage in a general farming and ranching business. **Proceeds** — To enable the company to obtain the necessary funds required to meet various financial commitments in connection with its bank loans, mortgage payments and carrying charges with respect to some 44,000 acres. **Office** — Southern Blvd., West Palm Beach, Fla. **Underwriter**—None.

★ Industrial Development Bank of Israel Limited
July 22, 1960 filed 10,000,000 6% preference C shares. **Price**—$1 per share, payable in cash or in Israel bonds. **Proceeds** — For use as working capital to be used in granting loans to firms judged beneficial to the Israel economy. **Office**—113 Allenby Road, Tel-Aviv, Israel. **Underwriter**—Harry E. Brager Associates, Washington, D. C. and New York City. **Offering**—Expected sometime in September.

Infrared Industries, Inc. (8/11)
July 6, 1960, filed 135,000 shares of common stock (without par value), 100,000 shares of which are for the company and the balance for the account of certain stockholders. **Price**—To be supplied by amendment. **Proceeds**—Approximately $700,000 will be used to construct and equip the Santa Barbara, Calif. plant for which the company has recently acquired acreage, $450,000 will be used to discharge indebtedness of the company and a subsidiary, and the balance will be used for general corporate purposes including working capital. **Business**—The company produces infrared detectors for most of the infrared systems under procurement by the Armed Forces of the United States and for civilian use as well. **Office**—Waltham, Mass. **Underwriter**—Lehman Brothers, New York City.

● Inter-County Telephone & Telegraph Co. (8/3)
June 16, 1960 filed 125,000 shares of common stock (par $4.16⅔). **Price** — To be supplied by amendment. **Proceeds**—$1,500,000 will be used to liquidate outstanding short-term bank loans and approximately $600,000 will be applied to reduction of accounts payable in connection with the company's continuing construction program. The remainder will be used to pay a portion of the 1960 construction expenditures, estimated at $3,000,000. **Office**—1517 Jackson St., Fort Myers, Fla. **Underwriter** —Dean Witter & Co., New York.

● International Telephone & Telegraph Corp., Sud America (8/1-5)
June 21, 1960, filed $10,000,000 of debentures due July, 1977. **Price**—100% of principal amount. **Proceeds**—For subsidiaries and general funds. **Office**—67 Broad Street, New York City. **Underwriter**—Bear, Stearns & Co., New York.

Investor Service Fund, Inc.
July 14, 1960, filed 100,000 shares of common stock. **Price**—$10 per share, in 100-share units. **Business**—The company, which has not as yet commenced operations, intends to offer investors a chance to participate in diversified real estate ventures. **Proceeds**—To purchase all or part of the Falls Plaza Shopping Center, Falls Church, Va. **Office**—1823 Jefferson Place, N. W., Washington, D. C. **Underwriters**—Investors Service Securities, Inc., and Riviere Marsh & Co., both of Washington.

● Investors Funding Corp. of New York (8/2)
June 17, 1960 filed $400,000 of 10% subordinated debentures (half due December 1964 and half due December 1965); $1,000,000 of 10% subordinated debentures (with common stock purchase warrants), due serially 1966-1970; and warrants for the purchase of 30,000 common shares, exercisable initially at $10 per share. **Price**—The debentures (including those with warrants) are to be offered for sale at 100% of principal amount. **Proceeds**—To be used primarily for the purchase or improvement of additional parcels of real estate, and some may be used to discharge debentures maturing in August, 1960. **Office**—511 Fifth Ave., New York. **Business**—The company's primary business is that of purchasing, developing, financing, investing in and selling real estate. **Underwriter**—None.

Itemco, Inc. (8/15-19)
April 29 filed 200,000 shares of common stock. **Price**—$2.50 per share. **Proceeds**—For repayment of outstanding debt, for instrumentation and automation of laboratory equipment, for expansion of existing manufacturing facilities and the acquisition or establishment of additional facilities, and the balance for working capital. **Office**—18 Beechwood Avenue, Port Washington, N. Y. **Underwriters**—Morris Cohon & Company and Schrijver & Co., both of New York.

● Kaiser Industries Corp. (8/1-5)
July 7, 1960, filed 300,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 300 Lakeside Drive, Oakland, Calif. **Underwriters**—First Boston Corp., Dean Witter & Co., and Carl M. Loeb, Rhoades & Co., all of New York City.

★ Kent Publishing Co., Inc.
July 20, 1960 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$1.10 per share. **Proceeds** —To retire a short term note and for general corporate purposes. **Office**—619 Southeastern Bldg., Greensboro, N.C. **Underwriter**—McCarley & Co., Inc., Asheville, N.C.

● Kings Electronics Co., Inc. (8/1-5)
May 26 filed 200,000 shares of common stock (par 10 cents) and 100,000 common stock purchase warrants. The company proposes to offer these securities for public

sale in units, each consisting of one share of common stock and one-half common stock purchase warrant. **Price**—$4 per unit. **Proceeds**—$165,000 will be applied to the repayment of certain loans, $75,000 for development and design work by a subsidiary in the field of infra-red instrumentation, $100,000 for continued research in the design, development and production of components for microwave instruments, and the balance for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriters** — Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co., all of New York City.

Leadville Water Co.
June 28, 1960 (letter of notification) $220,000 of 20-year 6% series A first mortgage coupon bonds to be offered in denominations of $1,000. **Price**—At par. **Proceeds**—For a mortgage payment, outstanding notes, construction of a new water supply and general corporate purposes. **Office**—719 Harrison Ave., Leadville, Colo. **Underwriter**—H. M. Payson & Co., Portland, Me.

Lee Electronics Inc.
June 14, 1960 (letter of notification) 135,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To expand operations. **Office**—3628 Rhawn St., Philadelphia, Pa. **Underwriter** — Atlantic Equities Co., Washington, D. C.

Lee Filter Corp. (8/1-5)
June 17, 1960, filed 110,000 shares of capital stock (par $1). **Price**—$8.75 per share. **Proceeds**—About $250,000 will be used to discharge bank loans, the proceeds of which were used to provide additional working capital and to discharge other short-term indebtedness; $100,000 for construction and purchase of additional tools, dies and machinery and additions to raw material inventory; and the balance for general corporate purposes. **Office**—191 Talmadge Road, Edison, N. J. **Underwriter**—Myron A. Lomasney & Co., New York.

★ Lence Lanes, Inc.
July 22, 1960 filed 175,000 shares of common stock (par $1). **Price**—$6 per share. **Business**—The company operates automatic bowling centers, associated ventures such as restaurants, bars, and luncheonettes, sells supplies, and rent lockers, shoes, and meeting rooms. **Proceeds**—To reduce indebtedness, complete Garfield Lanes in Jersey City, N. J., and for working capital. **Office**—4650 Broadway, New York City. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing). **Offering**—Expected sometime in September.

● Lestoil Products, Inc. (8/10)
June 17, 1960 filed 275,000 shares of class A stock and 275,000 shares of common stock (par $1), to be offered for public sale in units, each consisting of one class A and one common share. **Price**—$15 per unit. **Proceeds**—To discharge certain indebtedness, and the balance will be added to working capital and be available for general corporate purposes. **Office**—Holyoke, Mass. **Business**—Company's principal products are Lestoil and Lestare. **Underwriters** — Paine, Webber, Jackson & Curtis, New York and Boston, and Alex. Brown & Sons, Baltimore, Md. and New York.

Liberian Iron Ore Ltd.
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. **Price**—For units, to be supplied by amendment, and not to be in excess of par. **Proceeds**—To make loans to Lamco. **Office**—97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S **Underwriter**—White, Weld & Co., Inc., New York. **Note** — This offering has temporarily been postponed.

Lifetime Pools Equipment Corp.
July 1, 1960, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriter**—First Pennington Corp., Pittsburgh, Pa.

Louisiana Gas Service Co.
June 10, 1960, filed 670,000 shares of common stock (par $10) to be issued by Louisiana Power & Light Co. to stockholders of Middle South Utilities, Inc., on the basis of one share of Louisiana Gas Service Co. common stock for each 25 shares of common stock of Middle South held (with an additional subscription privilege); rights begin in August and expire in September. **Price**—To be supplied by amendment. **Proceeds**—All to be paid to Louisiana Power & Light Co. **Underwriter**—None.

★ Lytton Financial Corp.
July 26, 1960 filed 354,000 shares of capital stock, of which 187,500 shares are to be offered for the account of the issuing company and 166,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—$2,100,000 will be used to reduce indebtedness, and the balance will be used for working capital and general corporate purposes. **Office**—Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles, Calif., and Shearson, Hammill & Co., New York City.

● Majestic Utilities Corp. (8/25)
April 29 filed $300,000 of 6% convertible 10-year debentures, $250 face value, 30,000 shares of common stock, and options to purchase an additional 30,000 shares. It is proposed to offer these securities for public sale in units (1,200), each consisting of $250 face amount of debentures, 25 shares of common stock, and options to to purchase an additional 25 common shares. **Price**—$350 per unit. **Proceeds**—To be applied in part payment of a $250,310 bank loan and the balance to be added to working capital and used for general corporate purposes. **Office** — 1111 Stout Street, Denver, Colo. **Underwriter**—Purvis & Company, Denver, Colo.

Maule Industries, Inc.
June 15, 1960, filed 254,322 shares of common stock, to offered to holders of the outstanding common at the rate of one new share for each three shares held. **Price**—$7 per share. **Proceeds** — For plant and modernization expenses. **Office**—Miami, Fla. **Underwriter**—None.

Mercantile Discount Corp., Chicago, Ill.
June 29, 1960, filed 128,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the capital fund to allow for the expansion of business and to increase borrowing capacity. Part of the proceeds may be used temporarily to reduce bank borrowings. **Underwriters**—Rodman & Renshaw and H. M. Byllesby and Co. Inc., both of Chicago, Ill.

Metropolitan Development Corp. (8/1-5)
June 8 filed 1,000,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—To complete payments on the company's property, for repayment of loans, and the balance to be added to the general funds for construction purposes and acquisitions. **Office**—Los Angeles, Calif. **Underwriters**—William R. Staats & Co., of Los Angeles, Calif., and Bache & Co. and Shearson, Hammill & Co., both of New York City.

Miami Tile & Terrazzo, Inc.
March 11 filed 125,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—$150,000 as reduction of temporary bank loans, $140,000 in reduction of accounts payable, $65,000 to repay notes and loans payable to Barney B. and Nathan S. Lee, and the balance for general corporate purposes. **Office**—6454 N. E. 4th Ave., Miami, Fla. **Underwriter** — Plymouth Bond & Share Corp., Miami. Fla.

Miami Ventilated Awning Mfg. Co., Inc.
June 29, 1960 (letter of notification) 150,000 shares of class A common stock (par $1). **Price**—$2 per share. **Proceeds**—To retire loans, purchase new machinery, open a new office and for working capital. **Office**—1850 N. E. 144th St., North Miami, Fla. **Underwriter** — Plymouth Bond & Share Corp., Miami, Fla.

★ Michigan Bell Telephone Co. (8/16)
July 25, 1960 filed $35,000,000 of debentures, due Aug. 1, 1996. **Proceeds**—To repay advances from American Telephone & Telegraph Co., the parent company, which are expected to approximate $32,000,000 at the time such proceeds are received. **Office**—1365 Cass Ave., Detroit, Mich. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received at room 2315, 195 Broadway, New York City, up to 11 a.m. New York Time on Aug. 16.

● Midwest Technical Development Corp.
May 17 filed 561,500 shares of common stock being offered to holders of the outstanding common on a one-for-one basis with rights to expire on Aug. 9. **Price**—$4.75 per share. **Proceeds**—For general corporate purposes. **Office**—Minneapolis, Minn. **Underwriters**—Shearson, Hammill & Co., New York City, and Piper, Jaffray & Hopwood, Minneapolis.

★ Miles-Samuelson Inc. (8/22-26)
June 22, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For reduction of indebtedness, expansion of the business and general corporate purposes. **Business**—The company is engaged in writing, illustrating and producing a variety of technical material specifically designed for use by industry and the Department of Defense. **Office**—21 East 26th St., New York City. **Underwriter**—Marron, Sloss & Co.,, Inc. of New York City.

Missile-Tronics, Corp.
July 8, 1960, (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For general corporate purposes. **Office**—245 4th Street, Passaic, N. J. **Underwriter**—Edward H. Stern & Co., Inc., 32 Broadway, New York, N. Y. **Offering**—Expected in late August or early September.

★ Mitchell (John E.) Co.
July 15, 1960 (letter of notification) 450 shares of common stock (no par) to be offered for subscription by stockholders of the company on a pro rata basis. **Price**—$110 per share. **Proceeds**—To repay a mortgage loan. **Office**—3800 Commerce St., Dallas, Tex. **Underwriter**—None.

● Mobile Video Tapes, Inc. (8/18)
June 30, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—To purchase equipment and cancel debts and the remainder for working capital. **Office**—1607 N. El Centro, Hollywood, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

Model Finance Service, Inc.
May 26 filed 100,000 shares of second cumulative preferred stock—65c convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

Mustang Lubricant, Inc.
May 9 filed 80,000 shares of class A common stock. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—Denver, Colo. **Underwriter**—To be supplied by amendment.

Namm-Loeser's Inc. (8/1-5)
April 27 filed 217,278 shares of common stock (par $1). The company proposes to offer 108,000 shares of new common stock for subscription by holders of outstanding stock of record May 31, at the rate of one new share for each three shares held. Arebec Corp., of New York, which owns 109,278 common shares, has entered into an agreement to sell said shares to the underwriter. **Price**—To be supplied by amendment. **Proceeds**—To be added to company's general funds and will enable it to use all or part of the proceeds in the reduction of bank indebtedness. **Office** — 2301 Woodward Ave., Detroit, Mich. **Underwriter**—Ladenburg, Thalmann & Co., New York.

Narragansett Capital Corp. (8/8-12)
June 21, 1960, filed 1,000,000 shares of common stock (par $1). **Price**—$11 per share. **Proceeds**—For investment. **Office**—10 Dorrance Street, Providence, R. I. **Business**—This non-diversified closed-end management investment company intends to provide equity capital and to make long-term loans as contemplated by the Small Business Investment Act of 1958 to a diversified group of small business concerns. **Underwriter**—G. H. Walker & Co., New York.

● National Capital Corp. (8/22-26)
June 9, 1960, filed 240,000 shares of class A common stock (par $1). **Price**—$5 per share. **Proceeds**—For reduction of indebtedness, working capital, and general corporate purposes. **Office** — 350 Lincoln Road, Miami Beach, Fla. **Underwriters**—J. A. Winston & Co., Inc., and Netherlands Securities Co., Inc., both of New York City.

★ National Consolidated Development Corp.
July 25, 1960 filed 70,000 shares of class B common (non-voting) stock. **Price**—$100 per share. **Business**—To acquire business properties, and operate, lease, or sell them for a profit. **Proceeds**—For general corporate purposes, with initial activities scheduled for Phoenix, Ariz. **Office**—South 1403 Grand Ave., Spokane, Wash. **Underwriter** — The stock will be offered through authorized and qualified brokers.

● National Electrode Tube Corp.
April 29, 1960 filed 150,000 shares of common stock (par 5 cents). **Price** — $2 per share. **Proceeds** — For general corporate purposes. **Office**—88 Cortlandt St., New York City. **Underwriter** — Vickers, Christy & Co., Inc. and First City Securities, Inc., both of New York City.

● National Fountain Fair Corp. (7/29)
May 27 (letter of notification) 75,000 shares of common stock (par $1). **Price** — $4 per share. **Proceeds** — For general corporate purposes. **Office** — 3000 Hempstead Turnpike, Levittown, L. I., N. Y. **Underwriter**—General Investing Corp., New York, N. Y.

National Lawnservice Corp.
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 410 Livingston Avenue, North Babylon, N. Y. **Underwriter**—Fund Planning Inc., New York, N. Y.

● National Patent Development Corp. (8/15-19)
June 8, 1960, filed 150,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—Net of this sale in combination with cash on hand will be used to finance the client and sales solicitation program, and the balance for general corporate purposes. **Office**—68 William St., New York City. **Underwriters** — Globus, Inc. and Ross, Lyon & Co., both of New York City.

● National Pool Equipment Co.
June 20, 1960, filed $1,000,000 of 6% convertible subordinated notes due 1974 and 66,666 shares of common stock into which the notes are convertible, to be offered for public sale by the 15 holders thereof. The said notes, initially issued on June 10, 1959, are convertible at the option of the holder into common stock at their principal amount at a conversion price of $15 per share. In addition, the company is registering 21,000 shares of common stock subject to warrants at $1 per warrant on June 10, 1959 in connection with the issuance of the notes and exercisable at $15 per share. **Price**—To be supplied by amendment. **Proceeds**—In the amount of $315,000 received upon exercise of the 21,000 warrants will be used for general corporate purposes. **Office**—Lee Highway, Florence, Ala. **Business**—The company is engaged in the business of designing, manufacturing and selling component parts of swimming pools for public and private use and in manufacturing and selling swimming pool equipment, accessories, chemicals and supplies. **Underwriter**—None. **Note**—This issue was placed privately by Kidder, Peabody & Co.

Natural Gas Pipeline Co. of America (8/17)
July 1, 1960, filed $25,000,000 of first mortgage pipeline bonds, due 1980. **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the payment of outstanding bank loans and the balance used for construction requirements. **Office** — 122 South Michigan Ave., Chicago, Ill. **Business**—Public utility. **Underwriters**—Dillon, Read & Co. Inc., and Halsey, Stuart & Co. Inc., both of New York.

Natural Gas Pipeline Co. of America (8/17)
July 1, 1960, filed 150,000 shares of cumulative preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the payment of outstanding bank loans and the balance used for construction requirements. **Office** — 122 South Michigan Ave., Chicago, Ill. **Underwriter**—Dillon, Read & Co. Inc., New York.

● Navajo Freight Lines, Inc. (8/1-5)
May 9, 1960, filed (with the ICC) 250,000 shares of com-

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mon stock, of which 189,000 shares, being outstanding stock, will be offered for the account of the present holders thereof, and 61,000 shares will be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Office**—1205 So. Plate River Drive, Denver 23, Colo. **Underwriters**—Hayden, Stone & Co. and Lowell, Murphy & Co. (jointly).

● Needham Packing Co. (8/15)
June 28, 1960, filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Toward the payment of a $2,000,000 bank loan. **Office** — Sioux City, Iowa. **Underwriter** — Cruttenden, Podesta & Co., Chicago.

North American Merchandising Co.
May 26 (letter of notification) $300,000 of 7% convertible sinking fund debentures due July 1, 1965. **Price**—At face amount. **Proceeds**—To repay short-term loans and for working capital. **Office**—118 Cole Street, Dallas, Texas. **Underwriter**—Parker, Ford & Co., Inc., Dallas, Texas. **Offering**—Imminent.

North Washington Land Co.
May 3 filed $1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

Nuclear Engineering Co., Inc.
April 18 (letter of notification) 30,000 shares of common stock (par 33.3 cents). **Price**—$10 per share. **Proceeds**—To replace bank financing, reduce accounts payable, purchase machinery and equipment and for working capital. **Office**—65 Ray St., Pleasanton, Calif. **Underwriter**—Pacific Investment Brokers, Inc., Seattle, Wash.

● Organ Corp. of America (8/1-5)
June 28, 1960, (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds**—For general corporate purposes. **Office**—59 Hempstead Gardens Drive, W. Hempstead, L. I., N. Y. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., New York, N. Y.

★ Pacific Power & Light Co. (9/21)
July 27, 1960 filed $20,000,000 of 30-year first mortgage bonds. **Proceeds** — To retire $20,000,000 of unsecured promissory notes, to mature on or prior to July 31, 1961. The notes will be used to partially finance the 1960-61 construction program, which is expected to total $61,000,000. **Office** — Portland, Ore. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Blyth & Co. and White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co. **Bids**—Expected to be received on Sept. 21 at 12 noon.

Pacotronics, Inc. (8/15-19)
June 2 filed 150,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and research and development expenses. **Office** — 70-31 84th Street, Glendale, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York City.

Patrick County Canning Co., Inc.
March 25 filed 140,000 shares of common stock. **Price**—$3 per share. **Proceeds**—About $162,000 will be applied to the payment of certain indebtedness; $25,000 for additional machinery and equipment; and $118,752 for working capital, promotion and advertising. **Office**—52 Broadway, New York. **Underwriter** — G. Everett Parks & Co., Inc., New York. **Offering** — Expected in early August.

Patton Engineering Corp.
June 3, 1960 (letter of notification) 19,000 shares of class B common stock (no par). **Price**—$5 per share. **Proceeds**—For working capital. **Address** — Bert Lane, North Hampton, N. H. **Underwriter**—Eastern Investment Corp., Manchester, N. H.

Pearson Corp. (8/22-26)
March 30 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—$60,000 will be utilized to repay the company's indebtedness to Business Development Co. of Rhode Island; the balance will be added to working capital for general corporate purposes, principally to finance inventory and for other manufacturing costs. **Office**—1 Constitution St., Bristol, R. I. **Underwriter**—R. A. Holman & Co., Inc., New York.

★ Perkin-Elmer Corp.
July 21, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company is engaged in the design, manufacture, and sale of scientific instruments. **Proceeds**—For plant construction ($1,400,000), machinery and equipment ($500,000), and general funds. **Office** — Main Ave., Norwalk, Conn. **Underwriter**—Blyth & Co., Inc., New York City (managing). **Offering**—Expected in late August.

Philippine Oil Development Co., Inc.
March 30 filed 103,452,615 shares of capital stock, to be offered for subscription by stockholders at the rate of one new share for each 5½ shares held. **Price** — To be supplied by amendment. **Proceeds**—To be added to the company's working capital. **Office** — Soriano Bldg., Manila, Philippines. **Underwriter**—None. **Offering**—Expected sometime in September.

Plastics & Fibers, Inc.
June 14 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Whitehead Avenue, South River, N. J. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y.

Power Cat Boat Corp.
July 5, 1960 (letter of notification) 300,000 shares of common stock (no par). **Price**—$1 per share. **Proceeds**—To discharge short term debts, working capital, plant equipment, inventories, etc. **Office**—15623 S. Lakewood Blvd., Paramount, Calif. **Underwriter**—Holton, Henderson & Co., Los Angeles, Calif.

● Powertron Ultrasonics, Inc. (7/29)
June 20, 1960 filed 205,000 shares of common stock. **Price**—$2 per share. **Proceeds**—$143,668 will be used to retire three short-term notes, and the balance of approximately $256,832 will be used to provide additional working capital. **Office** — Roosevelt Field Industrial Park, Garden City, L. I., N. Y. **Business** — Company develops and markets a variety of electrical and electronic products incorporating ultrasonic principles. **Underwriter**—None.

● Progress Electronics Corp.
May 25 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To develop and produce proprietary items in the electronics field. **Office**—1240 First Security Building, Salt Lake City, Utah. **Note** — A new underwriter is to be named shortly.

Provident Fund for Income, Inc.
Dec. 23 filed 400,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For investment. **Office**—3 Penn Center Plaza, Philadelphia, Pa. **Underwriter**—Provident Management Corp., same address.

Puerto Rico Telephone Co.
June 23, 1960, filed 100,000 shares of common stock, to be offered for subscription of holders of its outstanding common stock on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, will be added to the general funds of the company, which will be used in furtherance of a five year expansion and improvement program initiated in 1959, and to repay indebtedness to banks and ITT incurred for the purchase of materials and equipment used or to be used for said program. **Office**—261 Tanca St., San Juan, Puerto Rico. **Underwriter**—None.

Putnam (J. L.) Co., Inc.
June 16, 1960 (letter of notification) 50,000 shares of class B common stock (par $1). **Price** — $4 per share. **Proceeds** — For general corporate purposes. **Address**—Biddeford, Maine. **Underwriters** — J. L. Brady & Co., Worcester, Mass. and David G. Means, Bangor, Maine.

Pyramid Electric Co.
April 1 filed 89,675 shares of common stock to be issued to holders of the company's outstanding stock purchase warrants at the rate of one share for each warrant at a price of $3.25 per share. The warrants were issued in and after May, 1954, in connection with a previous public offering and included 46,000 to the underwriter, S. D. Fuller & Co., and 46,000 to the company's officers and employees. At present there are 89,675 warrants outstanding. **Office**—52 Broadway, New York. **Offering**—Imminent.

Rayson Craft Boat Co.
July 11, 1960, (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To purchase additional equipment, for sales, purchase of inventory and working capital. **Address** — Gardena, Calif. **Underwriter**—California Investors, Los Angeles, Calif.

★ Realty Development Corp. of America
July 15, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—1334 N. W. 36th St., Miami, Fla. **Underwriter**—None.

Reilly-Wolff Associates, Inc. (8/22)
June 14, 1960 (letter of notification) 43,000 shares of class A stock (par one cent). **Price**—$5 per share. **Business**—The company is an integrated furniture manufacturer, specializing in outdoor and office types of furniture. **Proceeds**—For general corporate purposes. **Office**—120 E. 32nd St., New York, N. Y. **Underwriter**—Arden Perin & Co., Inc., New York, N. Y.

● Renmar Corp. (8/1-5)
July 1, 1960 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For the development and construction of homes. **Office** — 2943 Broadway, Riviera Beach, Fla. **Underwriters**—D. Klapper Associates, Inc., and Norton Fox & Co., Inc., both of New York City.

● Republic Ambassador Associates
April 29 filed $10,000,000 of Limited Partnership Interests, to be offered in units. **Price**—$10,000 per unit. **Proceeds**—To purchase hotels in Chicago from a Webb & Knapp subsidiary. **Office**—111 West Monroe Street, Chicago, Ill. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Expected in mid-to-late August.

Resiflex Laboratory, Inc.
July 18, 1960, filed 100,000 shares of common stock, of which 40,000 shares are to be offered for the account of the issuing company, and 60,000 shares, being outstanding stock, for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of disposable plastic tubular products, and the assembling and marketing of blood donor sets. **Proceeds** — For plant expansion, increased production facilities, and working capital. **Office**—864 South Robertson Blvd., Los Angeles, Calif. **Underwriter**—Blunt Ellis & Simmons, Chicago, Ill.

Rez-Tile Industries, Inc.
June 29, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For a new product development and working capital. **Office**—11801 Florida Ave., Tampa, Fla. **Underwriters**—Vickers, Christy & Co., Inc. and First City Securities, Inc., New York, N. Y.

★ Rochester Telephone Co. (9/21)
July 21, 1960 filed $12,000,000 of series "E" first mortgage bonds, which will mature in 33 years, on Sept. 1, 1993. **Proceeds**—The proceeds of this sale will be used to repay bank loans for construction and extension of facilities in service by the date of the proposed sale. **Underwriter** — To be determined by competitive bidding. Probable bidders: First Boston Corp., and Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Kidder, Peabody & Co. (jointly). **Bids**—Expected to be received on Sept. 21, 1960.

Rocky Mountain Natural Gas Co., Inc.
July 15, 1960, filed $2,350,000 of sinking fund debentures, due 1980, and 235,000 shares of common stock (par $3) to be offered in units consisting of a $50 debenture and an unannounced number of common shares. **Price**—To be supplied by amendment. **Proceeds**—For construction expenditures and the reduction of indebtedness. **Office**—1726 Champa St., Denver, Colo. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc. (managing). **Offering**—Expected in late September.

● Roliton Corp. (8/10)
June 28, 1960, (letter of notification) 175,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For training, advertising, salaries and fees, travel expenses and working capital. **Office** — 1600 Ogden Street, Denver, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

Roller Derby TV, Inc.
March 30 filed 277,000 shares of common stock, of which 117,000 shares are to be offered for public sale by the issuing company, and the remaining 145,000 shares will be sold for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes relating to the production and sales of motion picture films of the Roller Derby, and the balance for working capital. **Office**—4435 Woodley Ave., Encino, Calif. **Underwriter**—To be supplied by amendment.

★ Rollins Broadcasting Inc.
July 22, 1960 filed 110,000 shares of common stock (par $1), of which 75,000 shares will be sold for the account of the issuing company and 35,000 shares, representing outstanding stock, will be sold for the account of John W. Rollins, selling stockholder, who is a director. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Wilmington, Del. **Underwriter**—F. Eberstadt & Co., New York City. **Offering**—Expected in early September.

● Rotating Components, Inc. (8/15-19)
July 8, 1960 (letter of notification), 100,000 shares of common stock (par 1¢). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—267 Green St., Brooklyn 2, N. Y. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y.

Roto-American Corp. (8/15-19)
May 27 filed 75,000 shares of common stock (par $1) to be offered for cash sale to the public, and 44,283 shares to be issued in exchange for common and preferred shares of four subsidiaries. **Price**—To be supplied by amendment. **Proceeds**—To be used largely for reduction of accounts payable, as well as for new tooling, research, repayment of an officer's loan, and general corporate purposes. **Office**—93 Worth Street, New York. **Underwriter**—Morris Cohon & Co., New York.

Sachar Properties, Inc. (8/29-9/2)
July 6, 1960, filed $300,000 of 8% subordinated instalment convertible debentures due 1970, 150,000 shares of common stock (par 10 cents) and 30,000 common stock purchase warrants. It is proposed to offer these securities in units, each unit is to consist of $100 principal amount of debentures, 50 common shares, and 10 warrants exercisable at $2 per share until 1965. **Price**—$200 per unit. **Proceeds**—$200,000 to purchase the Second Ave. and E. 82nd St. properties; $51,000 to purchase the New Rochelle property; and the balance for working capital. **Business**—The company intends principally to deal in and with unimproved real property, to sell parcels as building sites, to subdivide and improve parcels and sell same as building sites, and to obtain or prepare building plans and financing arrangements in respect thereof. **Office**—598 Madison Ave., New York. **Underwriters**—Ross, Lyon & Co., Inc. and Globus, Inc., both of New York.

● Safticraft Corp., Patterson, La. (8/1-3)
April 29 filed 275,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—The company proposes to use $50,000 to expand its efforts in the sale of Safticraft boats nationally; $250,000 for reduction of short-term borrowings; and the remaining $293,500 to be advanced to du Pont, Inc. as additional working capital necessary in the financing of increased inventories and receivables incident to the increased sales volume of Dupont. **Underwriter** — George, O'Neill & Co., Inc., New York.

★ Sanco Finance Co., Inc.
July 18, 1960 (letter of notification) 42,577 shares of common stock (par $2.50). **Price**—$5.50 per share. **Proceeds**—For general corporate purposes. **Office** — 616 N. Broadway, Oklahoma City, Okla. **Underwriter**—None.

★ San Juan Oil & Gas Co.
July 20, 1960 (letter of notification) 275,000 shares of common capital stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil and gas properties. **Office**—315 Utah Oil Bldg., Salt Lake City, Utah. **Underwriter**—None.

● Saucon Development Corp.
April 28 (letter of notification) an undetermined number of shares of common stock (par $1) not to exceed $300,000. **Price**—To be supplied by amendment. **Proceeds**—For mining expenses. **Office** — c/o Wallace F. Mo-

Quade, Pres., 246 Beaconsfield Blvd., Beaconsfield, Quebec, Canada. **Underwriter**—P. Michael & Co., 69 Passaic St., Garfield, N. J., is no longer the underwriter for this issue. A new underwriter is to be named.

• Sav-A-Stop, Inc. (7/29)
May 27 filed 100,000 shares of common stock (par 10 cents). **Price**—$4.50 per share. **Proceeds**—For working capital. **Office** — 2202 Main Street, Jacksonville. Fla. **Underwriter**—Pistell, Crow Inc., of New York City, formerly Pistell, Schroeder & Co.

Sea-Highways, Inc.
May 9 filed 150,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For working capital. **Office**—Pan-American Bank Bldg., Miami, Fla. **Underwriter**—John R. Maher Associates, of New York. **Offering**—Imminent.

Sealed Air Corp. (8/15-19)
July 15, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 330 Wagaraw Rd., Hawthorne, N. J. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

Seaway Shopping Centers, Inc.
May 20 filed 90,000 shares of $.50 cumulative convertible preferred stock, ($.01 par) and 90,000 shares of class A common stock ($.01 par). It is proposed to offer these shares in units, each consisting of one share of preferred at $7 per share and one class A share at $3 per share, or $10 for the unit. **Proceeds**—To complete construction of new shopping centers. **Office** — 619 Powers Bldg., Rochester, N. Y. **Underwriter**—John R. Boland & Co., Inc., New York. **Note**—This statement was effective on July 15.

• Softol, Inc. (8/10-15)
June 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 992 Springfield Ave., Irvington, N. J. **Business**—The company manufactures cosmetics and toiletry items. **Underwriter**—Harwyn Securities, Inc., 1457 Broadway, New York 36, N. Y.

Sonex, Inc.
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For machinery, cost of moving and leasehold improvements and working capital. **Office**—185 W. Schoolhouse Lane, Philadelphia 44, Pa. **Underwriter** — Hess, Grant & Remington, Inc., Philadelphia, Pa.

Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,000; to add to working capital; to retire certain long-term indebtedness; and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Indefinite.

• Southern California Edison Co. (8/23)
July 20, 1960, filed $60,000,000 of first and refunding mortgage bonds, series M, due 1985. **Proceeds**—To retire outstanding short-term borrowings and to finance the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp. and Dean Witter & Co. (jointly). **Bids**—Expected to be received on Aug. 23 at 8:30 a.m. (California Time), at 601 N. 5th St., Los Angeles, Calif. **Information**—Available upon request at the office of Sullivan & Cromwell, 48 Wall St., New York City, on or before Aug. 19.

Southwestern Bell Telephone Co. (8/2)
July 8, 1960 filed $100,000,000 of debentures, due Aug. 1, 1995. **Proceeds**—To repay advances from A. T. & T., the parent company, which are expected to approximate $86,000,000, with the remainder for plant expenditures. **Office**—1010 Pine St., St. Louis, Mo. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on Aug. 2 up to 11:00 a.m. EDT at room 2315, 195 Broadway, New York City.

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

Sprayfoil Corp.
June 22, 1960, filed 250,000 shares of common stock. **Price**—$2 per share. **Proceeds**—Approximately $250,000 will be used in the development, engineering and design of new products, approximately $150,000 will be used in the manufacture of the products of the company and for the purchase of necessary tools and equipment, and approximately $93,443 will be added to the company's working capital. **Business**—The company engages in the development, engineering and exploitation of products and uses applying the principles incorporated in patents covering the so-called "Coanda airfoil technique" of atomizing liquids. **Office**—2635 Louisiana Ave., South, Minneapolis, Minn. **Underwriter**—None.

Steck Co. (8/1-5)
June 24, 1960, filed 60,000 shares of common stock, of which 30,000 shares are to be offered for public sale by the issuing company and 30,000 shares are now outstanding and are to be offered by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To supply funds for working capital. **Office**—205 West 9th St., Austin, Tex. **Business**—The company is engaged in the printing and publishing business and in the sale of office supplies and equipment. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas, Tex.

Storm Mountain Ski Corp.
June 30, 1960, filed $500,000 of 8% subordinated debentures due 1975 and 100,000 shares of common stock, to be offered for public sale in units consisting of a $50 debenture and 10 shares of stock. **Price**—$75 per unit. **Proceeds** — To pursue the development of the resort. **Office** — Steamboat Springs, Colo. **Business** — Company was organized for the purpose of developing and operating a ski and summer resort on Storm Mountain on the Continental Divide, about 2 miles from Steamboat Springs. **Underwriter**—None.

• Strolee of California Inc.
July 19, 1960, filed 150,000 shares of outstanding common stock. **Price**—$5 per share. **Business**—The manufacture of strollers, high chairs and other similar types of juvenile items. **Proceeds**—To selling stockholders. **Office**—Los Angeles, Calif. **Underwriters**—Federman, Stonehill & Co. of New York City; Mitchum, Jones & Templeton of Los Angeles, Calif., and Schweickart & Co., of New York City.

Sunbury Milk Products Co.
June 20, 1960 (letter of notification) 20,000 shares of common stock (par $5). **Price**—$15 per share. **Proceeds**—To liquidate short-term bank loans and for working capital. **Office**—178 Lenker Ave., Sunbury, Pa. **Underwriter**—Hecker & Co., Philadelphia, Pa.

• System Meat Co. (8/15)
June 2 filed 150,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For payment of employees' salaries, first mortgage installment, accrued officers' salaries, and the balance for working capital. **Office** — Newcastle, Wyo. **Underwriter**—Purvis & Co., Denver, Colo.

• Techno Fund, Inc. (8/15)
June 24, 1960, filed 400,000 shares of common stock. **Price**—$12.50 per share. **Proceeds**—For investment. **Office**—50 West Gay St., Columbus, Ohio. **Business**—A closed-end, non-diversified management investment company. **Underwriters**—The Ohio Company, Columbus, Ohio and Merrill, Turben & Co., Inc., Cleveland, Ohio.

Tech-Ohm Electronics, Inc. (8/15-19)
June 29, 1960, (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—36-11 33rd Street, Long Island City, N. Y. **Underwriter** — Edward Lewis Co., Inc., New York, N. Y.

Telephone & Electronics Corp. (8/15-19)
June 14, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities & Co., New York, N. Y.

★ Tempest International Corp.
July 11, 1960 filed 100,000 shares of common stock (par 10 cents. **Price** — $3 per share. **Proceeds** — For construction of a factory, and the balance for general corporate purposes. **Office** — Pan American Bank Building, Miami 32, Fla. **Underwriter** — Equity Securities Co., 39 Broadway, New York City. **Offering**—Expected sometime in August.

• Terminal Electronics, Inc. (8/15-19)
June 24, 1960, filed 166,668 shares of capital stock (par 25 cents), of which 83,334 shares are to be offered for public sale for the account of the issuing company and the balance for the account of William Filler, President. **Price**—$6 per share. **Proceeds**—$190,000 is to be used to pay the remaining balance of its obligation incurred in connection with the purchase of Terminal stock from the Estate of Frank Miller; $100,000 to repay a bank loan; and the balance for general corporate purposes, including the obtaining and equipping of an additional retail outlet. **Business**—Wholesale and retail distribution of retail electronics parts and components. **Office**—236-246 17th Street, New York. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., both of New York. **Note**—Name is to be changed to Terminal-Hudson Electronics, Inc. upon effectiveness of a merger with Hudson Radio & TV Corp., which will take place if and when all of the shares offered hereby are sold.

Texas Eastern Transmission Corp.
April 11 filed $25,000,000 of debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For the reduction of indebtedness and for construction expenses. **Office**—Houston, Texas. **Underwriter**—Dillon, Read & Co., Inc., New York City. **Note**—This offering has been indefinitely postponed.

Thurow Electronics, Inc.
March 28 filed 202,530 shares of class A common stock, (par $2.50) of which 100,000 shares are to be offered for public sale by the issuing company and the balance by H. M. Carpenter, President. **Price**—$3 per share. **Proceeds**—To be used as additional working capital for inventory and business expansion purposes. **Office**—121 South Water, Tampa, Fla. **Underwriter**—Donald V. Stabell, of St. Petersburg, Fla.

Three-L-Corp.
March 24 filed 3,500,000 shares of common stock. **Price**—$1 per share. Proceeds—$46,098 will be applied to the acquisition of 493 acreas of land in Fairfield Township, Hyde County, and $15,000 for payment of the July instalment on acquisition of about 12,726 acres in Hyde County; $500,000 for purchase and installation of machinery, equipment and saw mill and $75,000 for working capital in connection with lumber operations; $65,000 for January 1961 instalment payment on the 12,726 acres; and the balance to purchase livestock, planting feed and pasture, raising livestock, and additional working capital. **Office**—Fairfield, N. C. **Underwriter**—Participating dealers will receive 15 cents per share.

★ Timely Clothes, Inc.
July 25, 1960 filed $840,000 of convertible subordinated debentures, due 1980, to be offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 16⅔ shares of common held. The record date and interest rate will be supplied by amendment. **Business** — The firm makes and sells men's clothes, and operates, through two subsidiaries, 10 retail stores. **Proceeds**—To reduce indebtedness, with the balance for working capital. **Office** — 1415 Clinton Ave. North, Rochester, N. Y. **Underwriter**—Cartwright & Parmelee, New York City (managing). **Offering**—Expected in September.

Townsend Investment Co., Inc.
June 20, 1960 (letter of notification) $300,000 of 6% first mortgage bonds and 3,000 shares of common stock (par $5) to be offered in units consisting of one $1,000 bond and 10 shares of common stock. **Price**—$1,000 per unit. **Proceeds**—To pay off a present mortgage and for working capital. **Address** — P. O. Box 68, Townsend, Tenn. **Underwriter**—Davidson & Co., Inc., Knoxville, Tenn.

Trans-Coast Investment Co. (8/9)
June 22, 1960, filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—From the sale of an unspecified number of the shares, for selling stockholders; from the sale of the remainder, for the operation of the Trans-Coast Insurance Agency. **Office**—210 W. 7th St., Los Angeles, Calif. **Underwriter**—Lehman Brothers, New York City.

★ Transis-Tronics, Inc.
July 18, 1960 (letter of notification) 95,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—To retire short term loans; for research and development and for working capital. **Office**—1650-21st St., St., Santa Monica, Calif. **Underwriter**—V. K. Osborne & Sons, Inc., Beverly Hills, Calif.

Transnation Realty Corp. (8/15-19)
March 1 filed $700,000 of 8% subordinated Installment debentures, due in March, 1970, 70,000 shares of common stock (10 cents par) and 35,000 common stock purchase warrants (exercisable at $4.30 per share until May 15, 1965), to be offered in units consisting of $100 of debentures, 10 common shares, and five warrants. **Price**—$143 per unit. **Proceeds**—To be applied toward the company's general business activities. **Office**—292 Madison Avenue, New York. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York. **Note**—This company was formerly called the Goelet Corp.

Union Texas Natural Gas Corp.
July 8, 1960, filed 150,248 shares of outstanding class A stock (par $1), and 75,124 shares of outstanding class B stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 811 Rusk Ave., Houston, Texas. **Underwriters** — Carl M. Loeb, Rhoades & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Smith, Barney & Co., Inc., all of New York City. **Offering**—Expected in mid-August.

United Aero Products Corp. (8/1)
June 15, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture of precision metal products for use in the aircraft, missile and electronics industries. **Proceeds**—For an additional plant, machinery and equipment, the repayment of loans, and the balance for working capital. **Office**—Burlington, N. J. **Underwriters**—L. C. Wegard & Co. of Levittown, N. J.; Street & Co., Inc. of New York City; Woodcock, Moyer, Fricke & French of Philadelphia, Pa.; First Broad Street Corp., Russell & Saxe and V. S. Wickett & Co., Inc. all of New York City.

United Sheet Metal Co., Inc. (8/10)
June 16, 1960 filed 170,000 shares of common stock (no par), of which 85,000 shares are for public offering and 85,000 are outstanding and are to be offered for the account of present holders. **Price** — To be supplied by amendment. **Proceeds**—Of the public sale, for working capital and general corporate purposes. **Office** — 883 North Cassady Ave., Columbus, Ohio. **Underwriter**—R. W. Pressprich & Co., New York City.

• United States Boat Corp. (8/8-12)
March 28 filed 350,000 shares of common stock to be publicly offered. **Price**—$2 per share. **Proceeds**—$221,826 will be applied to the repayment of loans to United States Pool Corp. which were used for general corporate purposes, and the balance will be utilized for working capital, including a later repayment of $45,000 to U. S. Pool Corp. **Office** — 27 Haynes Avenue, Newark, N. J. **Underwriter**—Richard Bruce & Co., Inc., New York.

United States Bowling Corp.
June 22, 1960, (letter of notification) 112,500 shares of common stock (par 25 cents) and $112,500 of 10-year 6½% convertible debentures to be offered in units of one debenture ($100 principal amount) and 100 shares of common stock. **Price**—$200 per unit. **Proceeds**—For working capital to lease and operate additional bowling centers. **Office**—East 701 First National Bank Building, St. Paul, Minn. **Underwriter** — Irving J. Rice & Co., St. Paul, Minn.

U. S. Photo Supply Co., Inc.
June 23, 1960, (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—To pay debts and increase line of credit. **Office**—6478 Sligo Mill Road, Washington 12, D. C. **Underwriter**—Balogh & Co., Washington, D. C.

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● Variable Annuity Life Insurance Co. of America (8/9)
June 16, 1960 filed 1,000,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds**—Primarily to develop and expand the company's business. **Office**—1832 M St., N. W., Washington, D. C. **Underwriter** — John C. Legg & Co., Baltimore and New York.

Varian Associates
May 24 filed 216,645 shares of capital stock being offered for subscription by stockholders of record July 14, at the rate of one new share for each 15 shares held with rights to expire on Aug. 1. **Price** — $44 per share. **Proceeds**—For construction, new machinery, the retirement of outstanding bank loans, and the balance for working capital. **Office**—Palo Alto, Calif. **Underwriter**—Dean Witter & Co., San Francisco, Calif.

Venture Capital Corp. of America
June 29, 1960, filed 275,000 shares of common stock (par $1). **Price** — $7.50 per share. **Proceeds** — To be used to fulfill the $300,000 minimum capital requirements of the Small Business Investment Act. **Business**—A closed-end non-diversified management investment company. **Office**—375 Park Ave., New York. **Underwriters**—Filor, Bullard & Smyth, Hardy & Co., Sprayregen, Haft & Co. and Bregman, Cummings & Co., all of New York. **Offering**—Expected in late August or early September.

Waltham Precision Instrument Co., Inc.
April 15 filed 700,000 shares of common stock (par $1) being offered on a subscription basis to the company's present common stockholders offered June 30 with rights to expire on Aug. 4. **Price**—$2 per share. **Proceeds**—$600,000 to pay the balance of the purchase price for Boesch Manufacturing Co., Inc. stock; $350,000 to pay the 5% chattel mortgage note held by the Secretary of the U. S. Treasury as assignee of the Reconstruction Finance Corp.; $200,000 to pay the 6% secured notes issued as part payment for the stock of Electro-Mec Laboratory, Inc.; and the balance for working capital and other corporate purposes. **Office**—221 Crescent Street, Waltham, Mass. **Underwriter**—Schweickart & Co., New York.

Warner Electric Brake & Clutch Co. (8/17)
June 29, 1960, filed 154,916 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—South Beloit, Ill. **Business** — Company produces electrically - actuated brakes and clutches used in a wide variety of industrial equipment, electric wheel brakes for mobile homes and trailers, and electric compressor and fan clutches used in automotive air conditioning and cooling systems. **Underwriters**—Blunt Ellis & Simmons and Bacon, Whipple & Co., both of Chicago, Ill.

Waterman Products Co., Inc.
June 24, 1960, filed 100,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To be used primarily to accelerate the development of the company's proprietary items for the purpose of expanding its commercial business. **Business**—Electronics field. **Office**—2445 Emerald St., Philadelphia, Pa. **Underwriter**—Stroud & Co., Philadelphia and New York. **Offering**—Expected in late August.

● Wenwood Organizations Inc.
June 17, 1960 filed $550,000 of 7½% subordinated sinking fund debentures due July, 1970 (with common stock purchase warrants). **Price**—100% of principal amount. **Proceeds**—$100,000 will be used for payment of a bank loan incurred to help finance the disposal plant and an estimated additional $50,000 to complete the plant; $109,000 to retire 10% debentures issued in payment of certain obligations of the company for services rendered; $25,000 for a sales program in connection with the Florida homes; and the balance for working capital to finance the continued development of the residential community in Sarasota and the construction of homes in West Palm Beach, and the development of a shopping center in Selden, L. I. **Office**—526 North Washington Blvd., Sarasota, Fla. **Underwriter**—Michael G. Kletz & Co., Inc., New York. **Offering**—Expected in late August or early September.

Western Factors, Inc.
June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

● Western Kentucky Gas Co. (8/8-12)
June 22, 1960, filed 55,000 outstanding shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholder (Henry L. Hillman of Pittsburgh, Pa.). **Business**—Operating public utility. **Address**—608 Frederica St., Owensboro, Ky.. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.. and New York.

Western Land Corp.
July 5, 1960, filed 1,500,000 shares of common stock. **Price**—$2 per share. **Business**—Company proposes to engage in the real estate business, including the purchase and sale of real property and the purchase or construction and development of industrial and other properties, including shopping centers and apartment and office buildings. **Proceeds** — Primarily for real estate investment. **Office**—2205 First National Bank Bldg., Minneapolis, Minn. **Underwriter** — First Western Corp., of Minneapolis, Minn.

● Western Publishing Co., Inc. (8/1-5)
June 17, 1960 filed 362,114 shares of common stock (par $1,) of which 150,000 shares are to be offered for the issuer, and the remaining 212,114 shares are outstanding and will be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For the general funds for general corporate purposes, including plant improvement and additional equipment. **Office**—1220 Mound Ave., Racine, Wis. **Underwriter**—Goldman, Sachs & Co. of New York City. **Note**—This company was formerly called the Western Printing and Lithographing Co.

Whitmoyer Laboratories, Inc. (8/8-12)
Jan. 28 filed 85,000 shares of common stock and $500,000 of 6% subordinated debentures, due 1977, with warrants for the purchase of 10,000 additional common shares at $5 per share. **Price** — For the debentures, 100% of principal amount; for the 85,000 common shares, $6 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, sales promotion, and equipment. **Office**—Myerstown, Pa. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa.

Willer Color Television System, Inc. (8/1-5)
Jan. 29 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City.

WonderBowl, Inc.
April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

● Yardney Electric Corp.
July 11, 1960 filed 254,000 shares of outstanding common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—The company is principally engaged in the development, design, manufacture and sale of silver-zinc primary and rechargeable batteries. **Office**—New York City. **Underwriter**—Kidder, Peabody & Co., New York. **Offering**—Expected in early September.

● Yuscaran Mining Co.
May 6 filed 1,000,000 shares of common stock. **Price**— $1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. A hearing scheduled for July 27 was postponed to Aug. 29 at the request of the company counsel.

Prospective Offerings

Acme Steel Co.
March 25 the company's annual report stated that capital improvements during 1960-63, inclusive, have been projected to cost between $40,000,000 and $45,000,000. It is anticipated that a substantial proportion of this money will be forthcoming from depreciation and retained earnings. In addition, the sale of $10,000,000 of preferred stock in 1960 is planned to supply a part of these overall capital requirements. **Office**—Chicago, Ill.

Alexander's Department Stores, Inc.
July 6 it was reported that this Bronx (N. Y.)-based retail chain is contemplating an issue of common stock. No confirmation was available.

American Telephone & Telegraph Co. (10/25)
July 20, 1960, the directors authorized a new debenture bond issue of $250,000,000. **Proceeds** — For improvement and expansion of Bell Telephone services. **Office**—195 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co., and The First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly).

Arkansas Power & Light Co.
June 20, 1960, it was announced that this subsidiary of Middle South Utilities, Inc. might issue $15,000,000 of first mortgage bonds in December. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

Bekins Van & Storage Co.
July 6 it was reported that this company is contemplating a common stock issue. **Office** — 1335 So. Figuroa Street, Los Angeles 15, Calif.

★ Bobbie Brooks, Inc.
July 25, 1960 the company stated in its annual report that about $200,000 is expected to be raised by long term financing, to be applied to the $385,000 cost of acquiring real estate adjacent to its Cleveland 14, Ohio, headquarters.

★ Bridgeport Gas Co.
July 26, 1960 it was reported that some new financing is expected later in the year. No further details are available. **Address**—P. O. Box 1540, Bridgeport 1, Conn.

Brooklyn Union Gas Co.
May 10 it was announced that the company plans no more financing this year, but there would be some in 1961, although the form it is to take has not as yet been determined.

Columbia Gas System, Inc. (10/6)
June 13, 1960, it was reported that the company plans to sell $30,000,000 of debentures. **Proceeds** — For construction. **Office**—120 E. 41st St., New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.; Shields & Co.; R. W. Pressprich & Co. and Carl M. Loeb, Rhoades & Co., all of New York City. **Bids**—Expected to be received on Oct. 6.

Columbus & Southern Ohio Electric Co.
June 13, 1960, it was reported that this utility plans the sale of about 200,000 shares of common stock to raise approximately $8-$9,000,000, with the timing set for the last quarter of this year, sometime after the November elections. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio.

Consolidated Edison Co.
May 15 it was indicated by H. C. Forbes, Chairman, at the annual meeting of stockholders, that common stockholders may get rights to subscribe to convertible debentures or common stock in the Fall. This type of financing would be contingent upon the ability of the company to get its presently outstanding 4% debentures converted into common stock. Con Edison this year will spend about $225,000,000 on new construction compared with $222,000,000 in 1959 and $189,000,000 in 1958. For the five years through 1964, Mr. Forbes estimated that the utility would spend $1.2 billion for plant expansion. To finance the five-year program he said the company will have to issue some $800 million of securities of one kind or another.

● Consumers Power Co.
April 29 the company asked the Michigan Public Service Commission for permission to issue and sell securities with base value of $73,101,600. The company proposes to issue and sell first mortgage bonds in the amount of $35,000,000 maturing not earlier than 1990 for the best price obtainable but not less favorable to the company than a 5¼% basis. The mortgage bonds are expected in the last quarter of the year, perhaps in October. The balance of the securities are being offered. See "Securities in Registration." **Proceeds**—To be used to finance the continuing expansion and improvement of the company's electric and gas service facilities in a 65-county area outside of Greater Detroit. **Underwriter**—To be determined by competitive bidding. Probable bidders: For bonds—Halsey, Stuart & Co. Inc.; White, Weld & Co., and Shields & Co. (jointly); Morgan Stanley & Co.; The First Boston Corp., and Harriman, Ripley & Co., Inc.

★ Croft Carpet Mills, Inc.
July 27 it was reported that a letter of notification of 74,750 shares of the firm's 10c par common stock is expected to be filed July 28 in the Atlanta, Ga., SEC office. **Price**—$4 per share. **Business**—The company manufactures and distributes tufted carpets. **Proceeds**—For inventory, debt reduction, and sales and advertising expenses. **Office**—205-11 Fourth St., Fort Oglethorpe, Ga. **Underwriter**—A. J. Frederick & Co., Inc., New York City.

Custom Craft Industries
July 13, 1960 it was reported that the company plans a regulation "A" filing sometime in mid-August. **Proceeds**—For general corporate purposes. **Office**—Miami, Fla. **Underwriter** — Plymouth Securities Corp., New York City.

★ Electronics International Capital Ltd.
July 26, 1960 it was reported that this company, which expects to incorporate in Bermuda, is planning its initial financing to occur later in the year. **Proceeds** — To acquire major equity positions in large and medium-size electronics companies outside the United States. **Underwriter**—Bear, Stearns & Co., New York City.

Florida Power & Light Co.
June 1 it was announced that the company anticipates further financing in the fall of 1960 approximating $25,000,000 of an as yet undetermined type of security, and estimates that in 1961 it will require approximately $50,000,000 of new money. This company on May 31 floated a 400,000 common share offering through Merrill Lynch, Pierce, Fenner & Smith Inc. and associates at a price of $59.125 per share.

Florida Power Corp. (10/20)
March 10 it was reported that $25,000,000 of first mortgage bonds will be sold by this utility. **Proceeds**—For new construction and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Blyth & Co. (jointly). **Information Meeting**—Scheduled for Oct. 17 at 11:00 a.m. at Morgan Guaranty Trust Co. **Bids**—Expected to be received on Oct. 20.

Food Plus Inc.
July 20, 1960, it was reported that this company is readying its first public offering. No confirmation was available from the company. **Office**—62 W. 45th Street, New York City.

Ford Motor Credit Co.
March 28 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur later this year. **Office**—Detroit, Mich.

Georgia Power Co. (11/3)
Dec. 9 it was announced that the company plans registration of $12,000,000 of 30-year first mortgage bonds with the SEC. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. **Registration**—Scheduled for Sept. 26. **Bids**—Expected to be received on Nov. 3. **Information Meeting**—Scheduled for Oct. 31.

Hayes Aircraft Corp.
Feb. 12 it was reported that an issue of convertible debentures is being discussed and may occur in the next few months. **Office**—Birmingham, Ala. **Possible Underwriter**—Sterne, Agee & Leach, Birmingham, Ala.

Houston Lighting & Power Co.
March 22 it was announced in the company's annual report that it anticipates approximately $35 million in new money will be required in 1960 to support the year's construction program, and to repay outstanding bank loans. Studies to determine the nature and timing of the issuance of additional securities are presently under way. Last August's offering of $25,000,000 of 4⅞% first mortgage bonds was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler. **Office** — Electric Building, Houston, Texas.

Idaho Power Co.
March 30 it was reported that the company plans to issue and sell $15,000,000 of 1st mortgage bonds due 1990 sometime in the fall. **Proceeds**—For capital expenditures, etc. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

Indianapolis Power & Light Co. (9/27)
April 18 it was reported that the company will issue and sell $12,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Goldman, Sachs & Co., and The First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co.; White, Weld & Co., and Shields & Co. (jointly); Blyth & Co., Inc.; Equitable Securities Corp. **Bids**—Expected to be received up to 11 a.m. New York Time on Sept. 27. **Information Meeting**—Scheduled for Sept. 22 at 11:00 a.m., at the Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

Industrial Timer Corp.
July 19, 1960, it was reported that registration of 65,000 to 80,000 shares of common stock is imminent. **Office**—Newark, N. J. **Underwriters**—G. H. Walker & Co., and C. E. Unterberg Towbin Co., both of New York City.

International Mining Corp.
It was announced June 1, 1960 in the 1959 Annual Report of International Mining Corp. that the corporation intends to issue $10,830,000 of 7% secured serial notes in connection with its merger with Canton Co. of Baltimore, which will be the name of the surviving corporation. It is expected that the notes will be issued shortly at par, and will mature at the rates of $1,000,000 annually for one to three years, $500,000 annually for four to nine years, and $4,830,000 the 10th year after the merger. **Office**—535 Fifth Avenue, New York City. **Underwriter**—None.

Iowa Electric Light & Power Co.
March 11 President Sutherland Dows stated that bonds would be sold in order to supplement money to be obtained from temporary bank loans, to acquire the $10,000,000 required to finance 1960 construction. **Office**—Cedar Rapids, Iowa.

Iowa-Illinois Gas & Electric Co.
June 23, 1960, it was announced that the company's sale of $15,000,000 of first mortgage bonds in April of this year will carry it through the better part of 1960. The company plans some bank borrowing before the end of the year and expects to be in market again sometime in 1961, probably also for senior debt securities.

K.V.P. Sutherland Paper Co.
May 11 it was reported that a secondary offering of common stock is presently being discussed. **Proceeds**—To selling stockholders. **Underwriter** — Lehman Brothers, New York.

Laclede Gas Co.
May 10 it was announced that in addition to the $15,000,000 of new capital provided by the July bond-equity financing, $33,000,000 will come from later sale of securities other than common stock and from retained earnings.

Long Island Lighting Co.
June 13, 1960, it was reported that the company is discussing the sale of approximately $20-$30,000,000 of debt financing, probably to occur sometime this Fall. **Proceeds**—For construction. **Office** — 250 Old Country Road, Mineola, New York. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Smith, Barney & Co. and First Boston Corp., all of New York City.

Louisville Gas & Electric Co. (10/18)
April 27 it was reported that this company plans the issuance and sale of $16,000,000 of first mortgage bonds. **Proceeds**—For construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co., American Securities Corp. and Wood, Struthers & Co. (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly); Kidder, Peabody & Co. and Goldman, Sachs & Co. (jointly). **Bids**—Expected to be received on Oct. 18.

• Louisville & Nashville RR. (8/9)
July 18, 1960, it was reported that the Road plans to sell $7,530,000 of series X equipment trust certificates. **Proceeds**—To cover 80% of the cost of 900 gondola cars. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler. **Bids**—Expected to be received on Aug. 9, up to noon EDT.

Merrimack Essex Electric Co.
July 19, 1960, it was reported that this subsidiary of the New England Electric System plans to sell $10,000,000 of preferred stock sometime in the late fall. **Office**—Salem, Mass. **Underwriter** — To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith and Eastman Dillon, Union Securities Co. (jointly); First Boston Corp.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

Mohawk Insurance Co.
March 16, 1960, it was announced that the company expects to register its first public offering imminently. The offering will consist of 75,000 common shares. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York City.

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder **Underwriter**—Van Alstyne, Noel & Co., New York.

New York Telephone Co. (9/28)
June 22, 1960, the board of directors of this company authorized the issuance of an additional series of mortgage bonds in the amount of $60,000,000 and common stock in the amount of $120,000,000, subject to the approval of the New York Public Service Commission. **Proceeds**—To retire short-term bank borrowings used to finance construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.. **Bids**—Expected to be received on or about Wednesday, Sept. 28. **Note** — The stock will be sold to the American Telephone & Telegraph Co. on or about Oct. 1, under preemptive rights.

• Northern Pacific Ry. (8/24)
July 11, 1960, it was reported that the Road plans to offer $6,270,000 of railroad equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler. **Bids**—Expected to be received on Aug. 24 up to noon EDT.

Northern States Power Co. (Minn.) (12/6)
May 11 it was reported that the company plans the issuance and sale of $35,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and White, Weld & Co. (jointly); The First Boston Corp. and Blyth & Co., Inc. (jointly); Lehman Brothers and Riter & Co. (jointly); Equitable Securities Corp. and Eastman Dillion, Union Securities & Co. (jointly). **Bids**—Expected to be received by Dec. 6.

Orange & Rockland Utilities, Inc.
April 18 it was stated that the company presently expects that such part of its construction program through 1962 and the refunding of $6,442,000 series B bonds maturing in 1961 as is not financed by the sale of the company's 39,165 shares of its convertible cumulative preferred stock, series E, 5% (par $100) will be financed from the proceeds of sale in 1961, subject to market conditions, of $10,000,000 of its first mortgage bonds, from depreciation and retained earnings and, to the extent of any remaining balance, from the proceeds of additional short-term borrowings.

Pacific Lighting Corp.
May 11 it was announced that this company, in order to finance additional pipeline distribution systems, plans to sell $30,000,000 of first mortgage bonds and $20,000,000 of preferred stock later this year.

Panhandle Eastern Pipe Line Co.
April 19 it was reported that this company might sell about $65,000,000 of debentures, possibly in the third quarter of this year. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co., both of New York.

Philadelphia Aquarium Co.
June 15, 1960, it was reported that the company plans to sell about $2,000,000 of debentures and common stock to finance an aquarium in Fairmont Park, Philadelphia, which would be city-owned and company-operated under a lease. **Underwriter**—Stroud & Co., Inc. of Philadelphia, Pa. and New York.

Pik-Quik Inc.
June 29, 1960, it was reported that the company is contemplating the filing of 550,000 shares of common stock **Proceeds** — For acquisitions in Florida. **Office** — Minneapolis, Minn. **Underwriter**—A. C. Allyn & Co., New York.

Potomac Electric Power Co.
March 21 it was stated in the company's annual report it is anticipated that their 1960 construction program will amount to $39 million and there will be further financing of about $15 million of an as yet undetermined type. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Dillon, Read & Co. and Johnston, Lemon & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Eastman Dillon & Union Securities & Co and Stone & Webster Securities Corp. (jointly).

★ Public Service Co. of Colorado
July 22, 1960 the company reported that there is "a reasonable possibility" that additional common stock may be sold later this year or early in 1961. **Office**—Denver, Colo.

Public Service Co. of New Hampshire
April 4 it was stated in the company's annual report that short-term borrowings will increase progressively during 1960 until further permanent financing is undertaken later in the year. The timing, type, and amount of this financing has not been determined.

• Public Service Electric & Gas Co. (9/20)
May 18 directors of this company took preliminary steps for the sale of $50,000,000 in first and refunding mortgage bonds, dated Sept. 1, 1960, to mature Sept. 1, 1990. **Proceeds** — To pay all or part of company's short-term indebtedness incurred for construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co., and Lehman Brothers (jointly). **Bids**—Expected to be received on Sept. 20 up to 11 a.m., in Newark, N. J. **Information Meeting**—Scheduled for Sept. 15 at 2:30 p.m. at the Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

★ Public Service Electric & Gas Co.
July 26, 1960 it was reported that in addition to the $50,000,000 to be obtained from the Sept. 20 bond offering, $95,000,000 more will be needed to complete the 1960 construction program. Further financing is expected later in the year, with the type and timing as yet undetermined.

• Republic Steel Corp.
July 20 it was reported that registration is expected imminently of $125,000,000 of straight debentures. **Proceeds**—For capital improvements leading to cost reduction and for expansion of capacity. **Office**—Cleveland, Ohio. **Underwriters**—First Boston Corp. (managing), and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City.

Ritter Co., Inc.
July 6 it was reported that this company plans to consolidate some $2,500,000 of funded debt, possibly through a private placement, pursuant to which a bond issue may be expected. **Underwriter**—Lehman Brothers, New York City.

Rochester Gas & Electric Corp.
March 1 it was stated in the company's annual report that the company has filed an application with the New York State Public Service Commission for the right to issue $10,000,000 of new preferred stock. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

San Diego Gas & Electric Co. (10/4)
April 8 it was reported that $25,000,000 of bonds is expected to be sold. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp., Eastman Dillon, Union Securities & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Salomon Bros. & Hutzler (jointly). **Bids**—Expected to be received on Oct. 4.

Scantlin Electronics, Inc.
June 13, 1960, it was reported that the filing of about $2,000,000 of common stock is being discussed, and may occur sometime soon. The company is currently market-testing a new electronic table-top stock quotation board. **Office**—Los Angeles, Calif. **Underwriters**—Carl M. Loeb, Rhoades & Co. and Paine, Webber, Jackson & Curtis (jointly).

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made this summer. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

Southern Natural Gas Co.
April 4 it was stated in the company's annual report that the company expects to provide for the payment of certain outstanding notes through the issuance of first mortgage bonds and other debt securities. The timing of the issue or issues was not stated in the report. **Office**—Birmingham, Ala.

Southern Nevada Power Co.
June 15, 1960, it was reported that in order to meet $8,300,000 of property expenditures scheduled for 1960, the company has arranged a $6,000,000 revolving bank credit. It will borrow about $5,100,000 under this agreement by October, at which time it expects to sell about $5,500,000 of bonds and $3,000,000 of an undetermined type of stock, with preferred being considered, possibly with rights to purchase common shares at specified prices. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. Eastman Dillon, Union Securities & Co. and Kidder, Peabody & Co. (jointly); White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.

Tennessee Valley Authority
Jan. 20 announced that, pursuant to August, 1959, authorization from Congress to have $750,000,000 of revenue bonds outstanding at any one time, it plans its first public offering, expected to be about $50,000,000, for sometime in the Fall. May 13 it was announced that about $50,000,000 of additional revenue bonds will be offered in the Spring of 1961. The type of bond issued will depend on market conditions. **Proceeds**—To finance

Continued on page 36

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construction of new generating capacity. Power Financing Officer: G. O. Wessenauer. Financial Advisor: Lehman Brothers. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., First National City Bank of New York, Equitable Securities Corp. and Smith, Barney & Co. (jointly); First Boston Corp., Lazard Freres & Co., Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Chase Manhattan Bank and Morgan Guaranty Trust Co. of N. Y. (jointly); and Blyth & Co. and J. C. Bradford & Co. (jointly).

Trans World Airlines, Inc.
April 8 it was announced that the company plans to offer to its stockholders $100,000,000 of subordinated income debentures with detachable common stock purchase warrants, and Hughes Tool Co. (parent) will purchase not only its pro-rata portion ($78,000,000) but also enough of any debentures not taken up by others to provide TWA with at least $100,000,000. **Proceeds** — Together with $190,000,000 proposed private placement which is presently being worked on by this company's bankers, will be used for expansion of the company's jet fleet. **Underwriters**—Dillon, Read & Co., Inc., Lazard Freres & Co., and Lehman Brothers, all of New York.

Union Electric Co. (10/19)
March 16, 1960, it was announced by Dudley Sanford, Executive Vice-President, that the company plans an offering of approximately $50,000,000 of 30-year first mortgage bonds. **Proceeds**—To meet construction expenses. **Office**—315 No. 12th Blvd., St. Louis, Mo. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp. and White, Weld & Co. (jointly); Lehman Brothers, Blyth & Co. (handling the books), Eastman Dillon, Union Securities & Co. and Bear, Stearns & Co. (jointly). **Bids**—Expected to be received on Oct. 19 up to 11 a.m. EDT. **Information Meeting**—Oct. 17 at 3:00 p.m. at the Bankers Trust Co.

Utah Power & Light Co. (9/14)
June 1 it was reported $16 million of first mtge. bonds and $10 million (400,000 shares) of $25 preferred stock will be sold. **Proceeds**—For construction purposes and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. and First Boston Corp. (jointly); White, Weld & Co.; Stone & Webster Securities Corp. (jointly); Salomon Bros. & Hutzler; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lehman Bros.; Bear, Stearns & Co. **Bids**—Expected to be received on Sept. 14. **Information Meeting**—Scheduled for Sept. 12 at 2 Rector St., New York City.

Virginia Electric & Power Co. (9/13)
Feb. 5 it was reported that approximately $25,000,000 first mortgage bonds will be offered for sale. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp. **Bids**—Expected to be received on Sept. 13. **Information Meeting**—Scheduled for Sept. 8 at 11:00 a.m. N. Y. time, at The Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

Vitramon, Inc.
July 19, 1960, it was reported that this Trumbull, Conn. capacitor manufacturer plans a common stock issue of about 100,000 common shares early in August. **Underwriter**—G. H. Walker & Co., New York City.

Waldbaum, Inc.
May 11 it was reported that public financing is being contemplated by this supermarket chain. No confirmation was obtainable. **Office**—2300 Linden Blvd., Brooklyn, New York.

West Ohio Gas Co.
June 24, 1960, it was announced that the company anticipates, that in order to carry out its 1960 construction program it will consummate long-term financing during the year to provide additional funds in the approximate sum of $400,000.

Whippany Paper Board Co.
July 19, 1960, it was reported that this New Jersey company plans to register an issue of common stock in September. **Underwriter**—Van Alstyne, Noel & Co., New York City.

Winter Park Telephone Co.
May 10 it was announced that this company, during the first quarter of 1961, will issue and sell approximately 30,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders and may or may not be underwritten by one or more securities brokers. Future plans also include the sale of $2,000,000 of bonds in the second quarter of 1961. **Office**—132 East New England Ave., Winter Park, Fla.

Zurn Industries, Inc.
July 19, 1960, it was reported that 250,000 shares is expected to be filed shortly for the accounts of the company and selling stockholders. **Business**—The manufacture of mechanical power transmission equipment, fluid control devices, and building plumbing drainage products. **Proceeds**—For general corporate purposes. **Office**—Erie, Pa. **Underwriter**—Lee Higginson Corp. of New York City.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Kansas Gas & Electric Company

Kansas Gas & Electric, which observed its Golden Jubilee last year, has annual revenues of about $35 million. It supplies electricity (no gas, despite the title) to 143 communities at retail and 12 at wholesale in southeastern Kansas, the area having a population of some 500,000. The principal cities include Wichita, Newton, El Dorada, Pittsburg, Independence and Arkansas City. The company also serves all the rural electric co-operatives in the area, power being provided at 35 delivery points. About two-thirds of the company's customers are located in the metropolitan area of Wichita, which is the state's largest and fastest growing city. While growth in the service area has now slowed somewhat, population of the Wichita metropolitan area increased in the past decade by 54% to 342,000.

While Kansas is noted as an agricultural state, the production and refining of oil and gas have become increasingly important. There are also a number of light industries in the state such as aircraft, metal, fabrication, chemicals, cement, flour milling, food processing, meat packing, tile and clay products, etc. The state is becoming important in connection with aviation, one of Boeing's big plants being located in Wichita. The Strategic Air Command Air Force Base near Wichita has added 490 permanent housing units for its personnel. The Army's Kansas Ordnance Plant is being re-opened to make solid fuel and load rocket engines. Another firm was awarded a contract for missile components. Seventy percent of the light planes built in the United States are made in Wichita and sales have reached record highs in the past year or so. Chemicals are also increasingly important. The Frontier Chemical Company—which uses enough power to serve a city of 40,000 people—expanded again in 1959 and Abbott Laboratories has a new plant under construction.

In the past decade manufacturing employment in Kansas has grow three times as fast as the national average. This seems due not only to supplies of cheap fuel power, but also to the proven record of labor efficiency. During World War II airplanes were produced in Wichita at a lower unit cost than anywhere else in the U. S. Time lost because of strikes and absenteeism in Kansas has averaged only about half the national average in the past decade, and the rate of labor turn-over is probably also about one-half.

The company itself has had a fine growth record, 1959 revenues being 2.7 times those of 1949. In the past five years revenues have shown a compounded annual average gain of 9%, and share earnings showed a similar gain in the past four years. Residential and rural sales provide 35% of revenues, commercial 25% and industrial 33%. Of total industrial business, 41% is from the oil industry and 18% from aircraft manufacturing.

The regulatory situation in the state appears favorable since a fair value rate base has been used historically. However, the company has never had to ask for a rate increase. In 1949 earnings were at a relatively high level, approximating 8.4% on year-end net property account; however, in three years this declined to 6.8%, with a correspondng dip in share earnings from $1.64 to $1.42. While the rate of return declined further to 6% in 1955, it has increased in later years to 6.7%. Share earnings increased in 1953-4, dipped slightly in 1955 and have gained sharply in later years.

Last year less than $9 million was spent on construction, the fourth generating unit at the Murray Gill Plant being completed in April. The budget for this year is $18.3 million, reflecting the construction of a unit at the new Gordon Evans Plant, to be completed in 1961 with a capability of 160,000 kw—the largest in Kansas. Outlays for 1961 are estimated at $13.5 million and for 1962 at $8.5 million. Last year's new unit of 125,000 kw raised capability to 618,000 kw, which compares with the peak load of 508,000 kw last August. With the new unit slated for 1961 capacity should remain ample.

The company sold 200,000 shares of common stock in January this year following similar offerings in 1956 and 1952. The company may need additional financing next year and tentative plans are to sell $11 million bonds, reported adequate to carry the company through 1961-2. The equity ratio was 33% at the end of last year and would be moderately higher at present.

Last year's share earnings of $2.76 reflected a gain of 24 cents, and as a result the dividend was raised 16 cents to $1.64—the fourth straight year in which it had been increased. Direct operating expenses (excluding taxes and depreciation) increased less than 1% compared with a revenue gain of nearly 7%. Completion of the new generating unit early in the year reduced costs of production and made it possible to cancel an interchange agreement to purchase power, and enter into a new agreement to sell power to a neighboring utility company. At the end of 1959 the company served 260 completely electrically heated homes, an increase of 90 over the previous year.

For the 12 months ended June 30, 1960, the company earned $2.73 on average shares, or $2.61 on the increased number of shares outstanding. If weather conditions are normal management has been hopeful that it can offset the dilution resulting from equity financing and produce slightly higher earnings than last year's $2.76.

The stock has been selling recently around 54½ or near the high for this year, having advanced from 43⅛. At the present price it yields about 3% and sells at about 19.4 times last year's earnings. These figures compare with industry averages of about 4.0% and 18.4% respectively.

Now MJT Mutual Funds

LOS ANGELES, Calif.—The firm name of Diversified Mutual Funds, Ltd., 650 South Spring Street, has been changed to MJT Mutual Funds, Inc.

R. Bolgiano Opens

BALTIMORE, Md. — Ralph Bolgiano is engaging in a securities business from offices at 411 East 25th Street.

Ray McConnell Opens

(Special to The Financial Chronicle)

BURLINGAME, Calif.—Ray McConnell, Sr. is conducting a securities business from offices at 1408 Chapin Avenue.

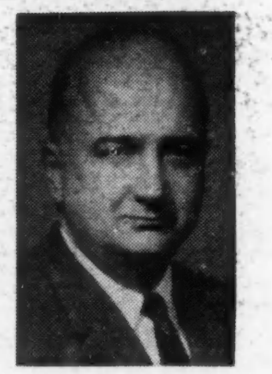
Hayden, Stone to Admit Partners

Hayden, Stone & Co., 25 Broad Street, New York City, members of principal security exchanges, have announced that five new general partners will be admitted to the firm on Aug. 1, subject to approval of the New York Stock Exchange.

They are James A. Cunningham, David N. Danielson and Ara A. Cambere, all of Chicago; Donald Arthur, Jr., and Anthony P. Rizzuto, both of New York.

J. A. Cunningham

David N. Danielson



Ara A. Cambere

Mr. Cunningham, a former partner of Glore, Forgan & Co., has extensive financial and civic experience in Chicago and the Midwest. He is a former Vice-President for Finance of Container Corporation of America and held similar offices with the University of Chicago and the Peoples Gas Light & Coke Company. He currently is Chairman of the Chicago Railroad Terminal Authority and a member of the Chicago Public Building Commission. He managed the recent revenue bond financing of O'Hare International Airport, largest public financing ever undertaken by the City of Chicago.

Mr. Cunningham will make his headquarters in Chicago with executive responsibility for Hayden, Stone's operations in that area.

Mr. Danielson was associated with Glore, Forgan & Co. in Chicago for nine years and formerly operated his own securities business there. He will operate in Chicago in new business development, underwriting and institutional relationships.

A staff member of Hayden, Stone from 1936 to 1949, Mr. Cambere has more recently been assistant to the President of Stewart-Warner Corp. He will be resident in Chicago in new business development and underwriting.

Mr. Arthur is a former partner of Shields & Co. who joined Hayden, Stone earlier this year. Previously he was with Price, Waterhouse & Co. He will continue to direct general management activities, particularly domestic branches, from New York.

Mr. Rizzuto, with the firm since 1924, is office manager and director of the Electronic Data Processing Division.

Hayden, Stone & Co. has 27 branches in this country and offices abroad in London, Amsterdam, Paris, Cannes, Milan, Montevideo and Hong Kong.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	July 30	§53.8	*54.4	53.0	12.2
Equivalent to—					
Steel ingots and castings (net tons)	July 30	§1,533,000	*1,550,000	1,510,000	345,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	July 15	6,831,910	6,831,210	6,839,560	6,858,275
Crude runs to stills—daily average (bbls.)	July 15	¶8,257,000	8,280,000	8,034,000	7,902,000
Gasoline output (bbls.)	July 15	30,031,000	30,677,000	29,482,000	28,201,000
Kerosene output (bbls.)	July 15	2,469,000	2,685,000	2,659,000	1,585,000
Distillate fuel oil output (bbls.)	July 15	12,972,000	13,051,000	12,531,000	12,647,000
Residual fuel oil output (bbls.)	July 15	5,800,000	6,046,000	6,077,000	6,534,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	July 15	197,241,000	201,302,000	204,372,000	189,859,000
Kerosene (bbls.) at	July 15	29,157,000	28,755,000	26,883,000	28,232,000
Distillate fuel oil (bbls.) at	July 15	121,427,000	116,730,000	103,045,000	129,352,000
Residual fuel oil (bbls.) at	July 15	43,013,000	42,679,000	39,879,000	54,269,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 16	607,081	456,330	649,830	585,073
Revenue freight received from connections (no. of cars)	July 16	438,265	399,367	532,606	469,206
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	July 21	$519,800,000	$601,100,000	$485,100,000	$651,700,000
Private construction	July 21	310,500,000	304,800,000	223,800,000	237,300,000
Public construction	July 21	209,300,000	296,300,000	261,300,000	414,400,000
State and municipal	July 21	191,400,000	228,400,000	161,300,000	383,400,000
Federal	July 21	17,900,000	67,900,000	100,000,000	31,000,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 16	7,280,000	*1,320,000	8,895,000	7,342,000
Pennsylvania anthracite (tons)	July 16	340,000	41,000	375,000	374,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	July 16	120	*108	147	118
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 23	14,425,000	14,208,000	14,213,000	13,577,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	July 21	259	258	296	245
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	July 19	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	July 19	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	July 19	$31.50	$31.17	$31.00	$39.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 20	32.600c	32.600c	32.600c	29.500c
Export refinery at	July 20	31.300c	31.675c	30.475c	27.125c
Lead (New York) at	July 20	12.000c	12.000c	12.000c	12.000c
Lead (St. Louis) at	July 20	11.800c	11.800c	11.800c	11.800c
‡Zinc (delivered) at	July 20	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	July 20	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	July 20	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	July 20	104.250c	102.750c	101.500c	102.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	July 26	87.94	87.75	86.29	83.81
Average corporate	July 26	86.11	85.59	85.07	85.85
Aaa	July 26	90.34	90.06	89.51	89.37
Aa	July 26	88.27	87.99	87.59	87.86
A	July 26	85.72	85.07	84.81	85.46
Baa	July 26	80.45	79.72	78.90	81.29
Railroad Group	July 26	84.04	83.53	83.03	84.94
Public Utilities Group	July 26	86.51	85.98	85.46	84.94
Industrials Group	July 26	87.72	87.32	86.91	87.86
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	July 26	3.75	3.76	3.92	4.10
Average corporate	July 26	4.71	4.74	4.78	4.72
Aaa	July 26	4.39	4.41	4.45	4.46
Aa	July 26	4.54	4.56	4.59	4.57
A	July 26	4.75	4.78	4.80	4.75
Baa	July 26	5.17	5.21	5.28	5.08
Railroad Group	July 26	4.87	4.90	4.94	4.79
Public Utilities Group	July 26	4.68	4.71	4.75	4.79
Industrials Group	July 26	4.59	4.61	4.64	4.57
MOODY'S COMMODITY INDEX	July 26	370.8	375.0	375.4	379.7
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 16	272,867	182,700	278,086	278,124
Production (tons)	July 16	248,079	174,810	317,358	274,741
Percentage of activity	July 16	74	50	93	84
Unfilled orders (tons) at end of period	July 16	474,165	449,939	443,523	565,951
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	July 22	109.47	109.37	110.17	110.80
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	July 1	2,370,480	3,030,790	2,440,670	2,009,000
Short sales	July 1	489,860	612,800	512,130	321,470
Other sales	July 1	1,878,060	2,350,990	1,875,310	1,841,450
Total sales	July 1	2,367,920	2,963,790	2,387,440	2,162,920
Other transactions initiated off the floor—					
Total purchases	July 1	319,830	614,670	423,850	318,670
Short sales	July 1	38,100	82,400	73,600	25,400
Other sales	July 1	302,200	463,820	334,110	324,170
Total sales	July 1	340,300	546,220	407,710	349,570
Other transactions initiated on the floor—					
Total purchases	July 1	634,129	896,918	787,240	635,090
Short sales	July 1	75,855	130,730	84,700	81,960
Other sales	July 1	619,464	961,143	543,674	664,246
Total sales	July 1	695,319	1,091,873	623,374	746,206
Total round-lot transactions for account of members—					
Total purchases	July 1	3,324,439	4,542,378	3,651,760	2,962,760
Short sales	July 1	603,815	825,930	670,430	428,830
Other sales	July 1	2,799,724	3,775,953	2,753,094	2,829,866
Total sales	July 1	3,403,539	4,601,883	3,423,524	3,258,696
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	July 1	1,706,392	1,949,788	1,752,716	1,571,175
Dollar value	July 1	$83,373,587	$95,863,360	$87,892,034	$86,848,352
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	July 1	1,596,200	1,988,507	1,652,876	1,317,297
Customers' short sales	July 1	5,507	7,100	8,038	5,432
Customers' other sales	July 1	1,590,693	1,981,407	1,644,838	1,311,865
Dollar value	July 1	$72,995,622	$91,059,280	$79,959,726	$67,845,349
Round-lot sales by dealers—					
Number of shares—Total sales	July 1	484,340	600,200	459,670	347,730
Short sales	July 1	------	------	------	------
Other sales	July 1	484,340	600,200	459,670	347,730
Round-lot purchases by dealers— Number of shares	July 1	540,730	570,920	534,960	390,290
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	July 1	704,660	914,900	748,930	494,010
Other sales	July 1	14,689,990	18,262,700	14,513,250	13,181,710
Total sales	July 1	15,394,650	19,177,600	15,262,180	13,675,720
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	July 19	119.6	*119.7	119.5	119.3
Farm products	July 19	88.9	*89.3	88.4	88.2
Processed foods	July 19	108.0	*108.4	107.7	107.0
Meats	July 19	97.4	*98.3	96.8	98.4
All commodities other than farm and foods	July 19	128.3	128.3	128.3	128.1

*Revised figure. ¶Includes 1,132,000 barrels of foreign crude runs. §Based on new annual capacity of 148,570,970 tons as of Jan. 1, 1960 as against Jan. 1, 1959 basis of 147,633,670 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of April	168,596	170,688	155,213
Stocks of aluminum (short tons) end of April	139,267	114,984	131,460
AMERICAN RAILWAY CAR INSTITUTE— Month of June:			
Orders for new freight cars	321	2,234	8,054
New freight cars delivered	6,042	5,931	3,950
Backlog of cars on order and undelivered (end of month)	29,555	36,106	40,973
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of June:			
Manufacturing number	228	229	203
Wholesale number	110	135	130
Retail number	680	564	633
Construction number	213	214	167
Commercial service number	103	131	111
Total number	1,334	1,273	1,244
Manufacturers' liabilities	$41,111,000	$31,963,000	$12,143,000
Wholesale liabilities	15,632,000	6,784,000	5,232,000
Retail liabilities	28,497,000	17,588,000	18,234,000
Construction liabilities	18,613,000	10,877,000	8,519,000
Commercial service liabilities	22,597,000	6,095,000	5,069,000
Total liabilities	$126,450,000	$73,307,000	$49,197,000
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—			
As of June 30 (000's omitted)	$1,019,000	$920,000	$729,000
CONSUMER PRICE INDEX—1947-1949=100— Month of May:			
All items	126.3	126.2	124.0
Food	119.7	119.5	117.7
Food at home	117.0	116.7	115.2
Cereal and bakery products	135.6	135.8	134.5
Meats, poultry and fish	109.7	109.3	111.6
Dairy products	115.0	115.3	112.6
Fruits and vegetables	132.9	129.9	125.6
Other food at home	104.9	106.1	102.8
Food away from home (Jan. 1953=100)	118.6	118.5	115.2
Housing	131.2	131.4	128.8
Rent	141.4	141.4	139.3
Gas and electricity	124.7	124.4	118.7
Solid fuels and fuel oil	132.9	136.3	135.3
Housefurnishings	104.3	104.7	103.7
Household operation	137.2	137.0	133.8
Apparel	108.9	108.9	107.3
Men's and boys'	109.7	109.5	108.2
Women's and girls'	99.4	99.6	99.0
Footwear	139.8	139.8	133.5
Other apparel	93.2	92.9	92.1
Transportation	145.6	146.1	145.4
Private	133.9	134.4	134.5
Public	199.4	199.4	192.7
Medical care	155.9	155.5	150.2
Personal care	133.2	132.9	130.7
Reading and recreation	121.4	121.1	117.8
Other goods and services	131.9	131.9	128.4
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of May:			
Contracts closed (tonnage)—estimated	267,910	269,941	290,911
Shipments (tonnage)—estimated	332,694	284,579	365,434
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE—U. S. DEPT. OF LABOR—Month of June:			
Weekly earnings—			
All manufacturing	$91.60	*$91.37	$91.17
Durable goods	98.58	*98.58	99.36
Nondurable goods	82.16	81.35	79.60
Hours—			
All manufacturing	40.0	*39.9	40.7
Durable goods	40.4	*40.4	41.4
Nondurable goods	39.5	39.3	39.8
Hourly earnings—			
All manufacturing	$2.29	*$2.29	$2.24
Durable goods	2.44	2.44	2.40
Nondurable goods	2.08	2.07	2.00
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE—Month of June (000,000's omitted):			
Ordinary	$4,551	$4,869	$4,609
Industrial	607	662	601
Group	1,558	978	1,056
Total	$6,716	$6,509	$6,266
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of June (in billions):			
Total personal income	$405.8	*$404.7	$383.8
Wage and salary receipts, total	273.9	*273.6	261.7
Commodity producing industries	113.0	113.3	110.9
Manufacturing only	89.1	*89.5	87.7
Distributing industries	72.2	*72.0	68.0
Service industries	41.1	*40.7	37.2
Government	47.7	*47.6	45.6
Other labor income	11.0	*10.9	10.0
Business and professional	36.1	*36.0	34.7
Farm	12.5	*12.1	12.1
Rental income of persons	12.5	*12.5	12.0
Dividends	13.9	*13.9	13.1
Personal interest income	2.68	*2.65	22.2
Transfer payments	28.4	*28.4	26.4
Less employees' contribution for social insurance	9.3	*9.3	8.4
Total nonagricultural income	389.1	*388.3	367.8
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of June:			
Net sales	$14,535,500	------	------
Net purchases	------	$21,829,500	$9,869,500

STATE OF TRADE AND INDUSTRY

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up their 1960 model year schedules on July 22.

Chrysler will start building 1961 model year cars in early August while Studebaker-Packard will resume the third week in August.

Earlier, Chrysler had closed out production of Imperials June 30 in Detroit and Plymouths and Dodge Darts July 12 in Los Angeles.

Meanwhile, *Ward's* said U. S. car output climbed 5.4% in the week ended July 23 as Ford Motor Co. built 9,790 Falcons and Comets compared with 12 Comets last week.

U. S. manufacturers turned out an estimated 110,797 cars contrasted to 105,113 last week. During the same week last year, 124,446 cars were produced.

The statistical agency said General Motors took 59.03% of last week's output while Ford Motor Co. accounted for 16.37%, Chrysler Corp., 13.09%, American Motors, 8.75% and Studebaker-Packard, 2.76%.

Ward's said that most auto plants worked five days last week, including Rambler, which customarily had assembled cars on a six-day basis for most of the 1960 model year.

However, seven Ford plants were inactive, including one compact car facility, due to a parts shortage that is a carryover from the Cleveland stamping strike that was settled July 14. Only one plant was on vacation.

The reporting service added that truck production rose 3.1% over the previous week. Total output was 20,842 vs. 20,214. Nearly all truck plants scheduled a five-day week.

Car Loadings Up 3.8% From 1959 Week

Loading of revenue freight for the week ended July 16, 1960, totaled 607,081 cars, the *Association of American Railroads* announced. This was an increase of 22,008 cars or 3.8% above the corresponding week in 1959, which was affected by the first three days of the steel strike, and an increase of 24,837 cars or 4.3% above the corresponding week in 1958.

Loadings in the week of July 16 were 150,751 cars or 33% above the preceding week which included the second week of the coal miner's annual vacation and the Independence Day Holiday.

There were 8,526 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended July 9, 1960 (which were included in that week's over-all total). This was an increase of 784 cars or 10.1% above the corresponding week of 1959 and 3,268 cars or 62.2% above the 1958 week. Comparisons are distorted by the Independence Day Holiday which fell in the current 1960 week but not in the corresponding weeks of 1959 or 1958.

Cumulative piggyback loadings for the first 27 weeks of 1960 totaled 284,961 for an increase of 73,900 cars or 35% above the corresponding period of 1959, and 154,760 cars or 118.9% above the corresponding period in 1958. There were 53 Class I U. S. railroad systems originating this type traffic in the current week compared with 50 one year ago and 40 in the corresponding week of 1958.

Intercity Truck Tonnage 3.7% Below 1959 Week

Intercity truck tonnage in the week ended July 16, was 3.7% below the volume in the corresponding week of 1959, the *American Trucking Associations, Inc.*, announced. Truck tonnage was 18.1% ahead of the previous week of this year. The sharp week-to-week tonnage increase was due largely to a return to normal following the Independence Day holiday which occurred on Monday of the preceding week this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Electric Output 6.2% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday July 23, was estimated at 14,425,000,000 kwh., according to the Edison Electric Institute. Output was 217,000,000 kwh. above that of the previous week's total of 217,000,000 kwh. and showed a gain of 14,208,-000,000 kwh., or 6.2% above that of the comparable 1959 week.

Lumber Shipments 0.4% Above Production in Week Ended July 16

Lumber shipments of 461 mills reporting to the *National Lumber Trade Barometer* were 0.4% above production during the week ended July 16, 1960. In the same week, new orders of these mills were 20.0% above production. Unfilled orders of reporting mills amounted to 30% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 17 days' production at the current rate, and gross stocks were equivalent to 52 days' production.

For the year-to-date, shipments of reporting identical mills were 3.1% below production; new orders were 4.7% below production.

Compared with the previous (holiday) week ended July 9, 1960, production of reporting mills was 29.7% above; shipments were 26.5% above; new orders were 24.9% above. Compared with the corresponding week in 1959, production of reporting mills was 21.8% below; shipments were 22.4% below; and new orders were 15.7% below.

Business Failures Hold Steady In Latest Week

Commercial and industrial failures after a four-week decline evened off at 259 in the week ended July 21, reported Dun & Bradstreet, Inc. This toll compared with 258 in the preceding week. It exceeded slightly the 245 occurring last year and came close to the 264 in the similar week of 1958. Three per cent more concerns succumbed than in pre-war 1939 when 251 were recorded.

Casualties involving liabilities of $5,000 or more dipped to 230 from 236 in the previous week but remained above their year-ago level of 217. An increase among small casualties, those under $5,000, to 29 from 22 offset this decline. Thirty-seven of the failing businesses had liabilities in excess of $100,000, as compared with 34 in the preceding week.

Business Failure Liabilities At Record High in June

Business failures resumed an upward trend in June, rising 5% to 1,334. Despite this upturn, the toll remained below the level in April and March this year. However, dollar liabilities surged up strongly to a record high of $126.5 million.

Losses bulked larger in all types of operations and in all geographic regions. Most of the increase from a month earlier and from a year ago was concentrated in casualties involving liabilities of $100,000 or more. Eighteen of the failing concerns had losses in excess of a million dollars.

All of the rise between May and June in number of failures occurred in retail trade. Its toll was the highest since April 1958, with the most noticeable increases in furniture, general merchandise and apparel. Manufacturing and construction casualties held steady at the previous month's level, while mild dips were noted in wholesaling and commercial service.

Wholesale Food Price Index Down Fractionally in Latest Week

After two consecutive increases, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dipped fractionally in the latest week and it was moderately below that of a year ago. On July 19, it dipped 0.2% to $5.91 from the week earlier $5.92, and it was down 1.2% from the $5.98 of the corresponding date a year ago.

Commodities quoted higher in wholesale cost this week were lard, sugar, tea, eggs, and hogs. Lower in price were flour, wheat, corn, rye, oats, coffee, cottonseed oil, cocoa, potatoes, and steers.

Wholesale Commodity Price Index Down Fractionally From Prior Week

There was a fractional dip in the general commodity price level this week, reflecting lower prices on some grains, lambs, cotton and rubber which offset slight increases on hogs, tin and steel scrap. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 269.71 (1930-32 = 100) on July 25, compared with 269.73 a week earlier and 275.51 on the corresponding data a year ago. The current index was the lowest since the 269.04 of July 1, 1950.

A fractional dip occurred in corn prices during the week as volume was sluggish and supplies were ample. There was also a slight decrease in oats prices, reflecting a decline in trading. In contrast, wheat prices edged up as offerings were light in some markets and transactions were steady. Reports of unfavorable weather conditions in growing areas stimulated the buying of soybeans and prices were moderately higher than a week earlier.

Despite a slight rise in trading in flour, prices remained close to the prior week. Domestic trading in rice was sustained at a high level and export volume moved up substantially holding prices close to a week earlier; rice supplies in some areas were limited. Exporters reported that substantial sales were made to Africa, the Near East and Europe.

Sugar trading moved up somewhat during the week and prices matched those of the prior period. A slight rise in coffee volume occurred and prices were steady. Cocoa trading lagged and prices dipped somewhat; there was a sharp rise in warehouse stocks of cocoa in Philadelphia.

An increase occurred in hog prices during the week as trading picked up and supplies dipped. Prices on steers were steady and transactions remained close to a week earlier. Wholesalers reported a fractional dip in lamb prices despite steady volume and lower receipts. Following the rise in hog prices, lard prices moved up modestly during the week.

A fractional dip occurred in prices on the New York Cotton Exchange last week. United States exports of cotton for the full current season are likely to amount to a record 7,000,000 bales, compared with 2,800,000 last season.

Retail Trade Slips From Prior Week

Retail trade in the week ended this Wednesday slipped from the prior week and showed little change from the similar strong 1959 period. Retailers in some areas attributed the sluggish volume to hot humid weather. Year-to-year declines in most major appliances and furniture offset modest gains in men's and women's apparel and new passenger cars. Interest in linens, floor coverings, draperies, and air conditioners was close to a year ago.

The total dollar volume of retail trade in the week ended July 20 was from 2% below to 2% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: East North Central, South Atlantic, and Mountain 0 to +4; West North Central and East South Central —1 to +3; New England and Middle Atlantic —2 to +2; West South Central —4 to 0; Pacific Coast —6 to —2.

Nationwide Department Store Sales Up 2% Over 1959 Week

Department stores sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended July 16, 1960, show an increase of 2% over the like period last year. In the preceding week for July 9, a decrease of 14% was reported. For the four weeks ended July 16, a 1% increase was registered over the same period in 1959 while the Jan. 1 to July 16 period showed a 2% increase.

According to the Federal Reserve System department store sales in New York City for the week ended July 16 were 3% above the like period last year. In the preceding week ended July 9, sales were 10% below the same period last year. For the four weeks ending July 16 an 8% increase was reported over the 1959 period, and from Jan. 1 to July 16 there was a gain of 6% above the level achieved in the 1959 period.

"SPV" Opens On New York Exchange

The common stock of Southeastern Public Service Company was admitted to trading on the New York Stock Exchange on Monday, July 25. Under the ticker symbol "SPV," the stock opened at 14, on the purchase of 100 shares by Southeastern President Charles J. Gregory. Present for the opening sale were (from left): Edward C. Gray, Executive Vice-President of the Exchange; Specialist William Raymond, Jr., of Chauncey & Co.; Mr. Gregory; and Oliver J. Troster, Director of the company, and partner of the investment firm of Troster, Singer & Co.

Southeastern, with main offices in New York, operates in 18 states, marketing liquefied petroleum gas and natural gas, manufacturing ice for transportation of perishable products, and providing freezer and cold storage facilities primarily for the packaged frozen food industry.

Form Graham & Werthem

ORMOND BEACH, Fla.—Graham & Werthem, Inc. has been formed with offices at 54 East Granada Avenue to engage in a securities business. Robert H. Graham is a principal of the firm.

Erwin Wurtzel Opens

METUCHEN, N. J.—Erwin Wurtzel is engaging in a securities business from offices at 724 Ford Avenue.

Form Glass Associates

MT. VERNON, N. Y. — Arthur Glass Associates, Inc. is engaging in a securities business from offices at 57 Gramatan Avenue. Officers are Arthur Glass, President; Robert J. Dolin, Vice-President and Secretary; and R. M. Farrell, Treasurer.

Rothman Opens Office

CHICAGO, Ill.—Noel N. Rothman is conducting a securities business from offices at 300 West Washington. He was formerly with Hornblower & Weeks and Shearson, Hammill & Co.

Form Royal Inv. Corp.

Royal Investing Corporation is conducting a securities business from offices at 280 Madison Ave., New York City. Officers are Donald W. Jennings, President and Treasurer, and Elvernie Jennings, Secretary. Mr. Jennings was formerly with Scott Planning Co.

Herman H. Smith Stock Offered

Pursuant to an offering circular dated July 21, an underwriting group managed by First Broad Street Corp., 39 Broadway, New York 6, N. Y., offered 82,000 shares of the common stock (10c par) of Herman H. Smith, Inc. at $3 per share.

The company was incorporated in New York on July 1, 1946. It manufactures about 3,600 electronic components and parts. The proceeds, estimated at $194,480, will be used by the company as working capital ($60,000) and as a reserve fund to acquire additional products within the electronics field ($134,480). Sixty per cent of gross sales come from products the company manufactures. The company sells about 3,000 components manufactured by others.

E. R. Hayek Opens

GLENDALE, Ariz. — Edwin R. Hayek is conducting a securities business from offices at 6327 West Colter Avenue.

Johnson-McNeil Co.

Boston, Mass.—Alfred A. Johnson is conducting a securities business from offices at 90 Bay State Road under the firm name of Johnson-McNeil & Co.

Now in Massachusetts

LEXINGTON, Mass. — Godfrey, Hamilton, Magnus and Co., Inc. has opened a office at 27 Depot Square. Officers are Raymond H. Godfrey, President; A. M. Cross, Treasurer; and William O. Rockwood, Secretary.

Frederick R. Childs is also associated with the new office.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — The nation will shortly witness one of the hardest fought Presidential campaigns in a long, long time. It seems inevitable that it will be a verbal slugging match from the beginning.

Who is going to win? No one knows for sure, of course. But as of now it would appear it could go either way. In other words, it is a 50-50 proposition, but it may not appear that way long.

Each Presidential candidate has a tremendous following, but in between there seemingly are a substantial number of Americans who do not want either the Democrat or Republican candidate.

The real conservatives in this country do not want either Mr. Kennedy or Mr. Nixon. However, they have no place to go.

The liberal forces in this country are extremely powerful. Indicative of their growing influence is an example of what happened at the Republican National Convention at Chicago. Governor Nelson A. Rockefeller of New York, who has strong New Deal leanings at times, did not have a chance of stopping Mr. Nixon for the nomination.

The Nixon-Rockefeller Rapport

For months the New York chief executive kept up a running fire against Nixon. In an effort to obtain party unity, Mr. Nixon seemingly surrendered to the New York governor by liberalizing many planks in the platform. The *Chicago Tribune*, which usually sums up the thinking of a substantial portion of Mid-Western Republicans, said in part:

"Party 'unity' has been achieved at a very high price. Rockefeller, whose negligible delegate strength could not assure him serious consideration, capitalized on his potentialities as a spoiler. He could not head off the Nixon candidacy, but he could queer it up by open or covert attack which would play in the hands of the Democrats. Rarely has the tail so thoroughly succeeded in wagging the dog.

"The principal effect of the Manhattan compromise is to blur further any surviving distinctions between Democrats and Republicans. The Republican attempt to buy votes with Federal handouts is not so blatant as that of the Democrats, although the enticements are there, but essentially the party pronouncements leave the voter the restricted choice of how he wants his big government and socialism phrased."

The Democratic platform is the wildest and wooliest ever adopted by a major political party in this country. The document is as liberal as Norman Thomas and the Socialists ever dreamed of incorporating into their platform.

Lure of the South to Both Parties

Many people in both parties are only hopeful that the platforms of both the Democrats and the Republicans will be used primarily to run on rather than be put into effect.

A good many of the higher-ups in the Republican party went to Chicago hopeful of getting a platform adopted that would aid in holding the growing Republican vote in the South or even increasing it in 1960 by adding another state or two. Four years ago Virginia, Texas, Louisiana, Florida, and Tennessee went for the Elephant party.

Until the Republican platform was adopted, hopes ran high among Southern delegates, but those hopes got blunted. Nevertheless, it is still too early to say what is going to happen in the once Solid South.

When Senator Kennedy tapped Senator Lyndon B. Johnson of Texas as his running mate he may have saved a large area of the South from going Republican. This, of course, does not mean that Mr. Johnson is held in such high political esteem and affection by the rank and file. It is the professional politicians primarily in Dixie, who want to go along with the Democrat ticket because Johnson is the No. 2 man on the ticket.

More Democrats than Republicans

There are several million more registered Democrats in this country than Republicans. If the GOP hopes to win, it must attract many of those Democrat votes to the Republican fold.

It is now a certainty that our country is going to have one of the youngest chief executives in history. Mr. Kennedy is 43 and Mr. Nixon 47. Should Mr. Nixon be elected, he will be 48 when he takes office.

There have been three men who were President who were younger than 48. They were Ulysses S. Grant, who was 46; Grover Cleveland, who was 47, and Theodore Roosevelt, who was 42.

If Mr. Kennedy is elected there will have been only one man that was younger. He is the only United States Senator the Democrats have nominated for President, and he is the youngest the Donkey party has nominated.

While the voting will take place on November 8, the next President is not scheduled to be elected until December 19. The 537 Presidential electors on that date will formally ballot. A joint session of Congress on January 6, 1961, will count those 537 ballots from the various states. This is the law, although it is long outdated like many other laws.

The Kennedy Organization

If organization can win, then the next President will more than likely be Senator Kennedy. His organization for the Presidential nomination was something to behold. The truth is the Kennedy organization which, of course, was highly financed, showed up the professional politicians.

There were many professionals who would not believe up to the hour of balloting that Mr. Kennedy would win the nomination. Robert F. Kennedy, the 34-year-old brother, who is going to be brother John's campaign manager against Nixon, is a real whiz kid.

A statewide Kennedy-for-President organization is already being set up in all 50 states. It will take a few weeks to get most of them going, but they will be functioning full blast for the most part by Labor Day.

While Mr. Nixon is completing his eighth year as Vice-President of the United States, he has in effect been campaigning for sometime. However, the Republicans as of now do not have solid statewide Republican organizations set up, but they do have token organizations in some states and fairly active organizations in others.

Fair Sex Holds the Key

Both Mr. Nixon and Mr. Kennedy are planning on speaking in all 50 states, with Mr. Kennedy launching his stumping tour in our newest states of Hawaii and Alaska which were not on the presidential itineraries four years ago.

The women folk in America will be all probability determine whether Jack Kennedy or Dick Nixon will be the next President of the United States. There are about 5,000,000 more women of voting age in the United States than men. It was only 40 years ago that the 19th amendment to the Constitution was adopted that opened the door to women's suffrage.

Both parties this year are going to have thousands and thousands of women ringing door bells, raising funds, and working in the precincts.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"I'm trying to stay out of a higher tax bracket."

COMING EVENTS

IN INVESTMENT FIELD

Aug. 12, 1960 (Detroit, Mich.)
Basis Club annual summer outing at the St. Clair Inn and Country Club, St. Clair, Mich.

Aug. 18-19, 1960 (Denver, Colo.)
Bond Club of Denver annual "Summer Frolic" at the Columbine Country Club.

Sept. 9-11, 1960 (Portland, Oreg.)
Pacific Northwest Group of Investment Bankers Association annual meeting at the Sheraton-Portland.

Sept. 11-14, 1960 (Sun Valley, Idaho)
National Security Traders Association Annual Convention.

Sept. 12-13, 1960
Association of Stock Exchange Firms meeting of the Board of Governors at the Statler-Hilton Hotel, Hartford, Conn.

Sept. 12-13, 1960 (Denver, Colo.)
Rocky Mountain Group of Investment Bankers Association meeting.

Sept. 15-16, 1960 (Cincinnati, Ohio)
Municipal Bond Dealers Group of Cincinnati annual outing—cocktails and dinner Sept. 15 at Queen City Club; field day Sept. 16 at Kenwood Country Club.

Sept. 21-23, 1960 (Santa Barbara, Calif.)
Board of Governors of Investment Bankers Association fall meeting.

Sept. 23, 1960 (Philadelphia, Pa.)
The Bond Club of Philadelphia 35th Annual Field Day at the Huntington Valley Country Club, Abington, Pa.

Oct. 5, 1960 (New York City)
New York group of Investment Bankers Association of America annual dinner at the Waldorf-Astoria.

Oct. 10-13, 1960 (Pasadena, Calif.)
National Association of Bank Women 38th annual convention at the Huntington-Sheraton Hotel.

Oct. 11, 1960 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 12, 1960 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Oct. 13, 1960 (Cincinnati, Ohio)
Ohio Valley Group of Investment Bankers Association meeting.

October 15, 1960 (New York City)
Security Traders Association of New York annual Fall Dinner Dance in the Grand Ballroom of the Biltmore Hotel.

Oct. 28-29, 1960 (Detroit, Mich.)
National Association of Investment Clubs 10th anniversary convention at the Sheraton-Cadillac Hotel.

Oct. 28-30, 1960 Hot Springs, Va.)
Southeastern Group of Investment Bankers Association meeting.

Nov. 3-4, 1960 (Miami, Fla.)
Florida Security Dealers Association annual convention at the Key Biscayne Hotel.

Nov. 10, 1960 (Minneapolis, Minn.)
Minnesota Group of Investment Bankers Association meeting.

Nov. 17-18, 1960 (Chicago, Ill.)
American Bankers Association 29th Mid-Continent Trust Conference at the Drake Hotel.

Nov. 27-Dec. 2, 1960 (Hollywood Beach, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

June 22-25, 1961 (Canada)
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

Joins T. C. Henderson

SIOUX City, Iowa—Ruth Clayton has become associated with T. C. Henderson & Co., Inc., 509 Fifth St. Mrs. Clayton was formerly with Dominick & Dominick, Buffalo, New York.

Walston Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oregon — Angus T. Eccles is now with Walston & Co., Inc., 901 Southwest Morrison St.

Manger-Fisher-Lona Formed

FARGO, N. Dak.—Manger-Fisher-Lona, Inc., has been formed with offices in the Black Building to engage in a securities business. Officers are Isadore G. Fisher, President; Erling Manger, Vice-President; and Arnold O. Lona, Secretary-Treasurer. Mr. Lona was formerly Fargo manager for W. R. Olson Company, with which Mr. Fisher and Mr. Manger were also associated.